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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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NO COUNTRY IN WORLD IS BETTER OFF THAN CANADA

Business is Better Now According to Leading New York Banker

DEVELOPMENT IS SLOW

Return of Prosperity Cannot be Looked for Until After the Crop Has Been Harvested

Reports from various parts of the country continue to indicate improved business sentiment although as yet actual results are more anticipated than real. In Western Canada good progress is being made with seeding, although in some sections, particularly in Saskatchewan, excessive moisture has had the effect of delaying operations. Throughout Canada the season is, generally speaking, backward, with the exception of some few localities in Manitoba where warm weather has been a little ahead of schedule.

The generally satisfactory agricultural outlook is an important factor in the situation because it gives ground to anticipate good yields at prices which under all the circumstances must be regarded as satisfactory. This improved outlook is having some effect in collections in agricultural communities but, and this particularly applies to Western Canada, it is not expected that there will be much real money in circulation until after the harvest. Frozen industrial and commercial credits, are however, being liquidated in a more satisfactory manner, lumber and some other industries which were particularly affected by the depression being now in better shape.

Reports from the Maritimes indicate that the industrial depression continues with its effect on general business. There is considerable unemployment. The movement of lumber, however, shows some improvement. Through Quebec the agricultural situation is satisfactory although the weather has been backward. Wholesalers report a better movement of goods to retailers. Tobacco recently has been in better demand with firmer prices. The shoemaking industry is experiencing better conditons than for many months. From British Columbia the reports from the fruit valleys are satisfactory although the crop may not be as big as that of last year. In the salmon industry the outlook for a good run of sockeye is regarded as hopeful in view of the satisfactory run of spring salmon reported in the Fraser River.

Business is Better

Business is better, according to a general survey of the situation by Stevenson E. Ward, vice-president National Bank of Comerce in New York. The depression which began in the United States in 1920 and continued throughout 1921 has passed and substantial progress is already being made toward normal activity; a new businesss cycle has been entered upon. Mr. Ward believes that while adverse conditions such as the coal strike may temporarily retard the movement, and other factors, such as widespread crop failures, might even result in recession for a time, no circumstances can alter the fact that there is now an unassailable basis for confidence in slow and steady expansion of the commercial and financial activities of the country.

As Mr. Ward analyses the situation the basis for confidence is five-fold.

1st. There is plenty of money to be had at reasonable rates both for short time and long term requirements.

2nd. Stocks of finished goods and raw materials have been reduced to reasonable proportions.

3rd. Commodity prices are stabilizing.

4th. Conditions in basic industries, including agriculture, are improving and production is expanding.

5th. These are not confined to the United States. Conditions are improving throughout the world. Some countries constitute exceptions to this statement but their bearing on the international situation is not great enough to alter the fact that the world outlook is better with the United States and Canada in the forefront of improvement. In Mr. Ward's opinion it is unquestionably true that conditions are more nearly normal in the United States than elsewhere with the probable exception of Canada.

The Investment Situation

The history of preceding depres-

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Trade Department Says Newspapers Are Competitors

The Montreal Gazette says:

"The professional diplomat or politician may be reluctant and even a little jealous to acknowledge the fact that a journalist's function is at least equal in importance to that of their own."

The Gazette must be thinking of the Canadian Department of Trade and Commerce, the officials of which frankly admit that they regard Canadian newspapers as competitors or rivals of a little weekly bulletin they themselves issue—Commercial Intelligence Journal. Canadian Trade Commissioners throughout the world are expressly forbidden by the Department to answer enquiries sent them by Canadian newspapers. If a manufacturer, who occasionally discusses the good of his town or industry with the most public-spirited man in the district—the editor of the local newspaper—should say he could pack more vegetables this year if he had an outlet; and if as a result the editor should try to help find a market and take upon himself to write the Canadian Trade Commissioner maintained at great expense in, say, China, to know whether there is a market for Canadian canned tomatoes in Shanghai, and for information on how to get the business, etc., the Trade Commissioner at Shanghai dare not answer. He breaks strict regulations if he answers. He may write only for Commercial Intelligence Bulletin. He also breaks the regulations if he submits to an interview. Many of the Commissioners, who are bigger men than the officials at Ottawa, take upon themselves to answer correspondence and give information to Canadian newspaper correspondents, but warn the editor or corespondent not to let it be known that they have done so.

HUDSON'S BAY CO. WILL ESTABLISH POST IN SIBERIA

Definite Steps to Establish Canadian Claim to Wrangell's Island

From Our Own Correspondent.

NEW YORK.—In connection with Premier King's declaration that the Dominion Government regards Wrangell's Island as Canadian territory, made last week in Ottawa, your correspondent is told by one closely in touch with the situation which has arisen around the question of the ownership of this island, that the Hudson's Bay Company at the suggestion of V. Stefansson, the explorer is preparing to plant a post at this point of the coast of Siberia. The company according to the information given your correspondent, is not deterred by the counter claim to the ownership of the island made by the State Department in Washington. Stefansson in planting the Canadian flag on Wrangell's Island, it is said, acted with the suupoprt of both the British and Canadian Governments and the legality of his action is said to have been aproved by both London and Ottawa.

My informant told me that while the Hudson's Bay Company has been sending a ship to the Western Arctic for years, it has never deemed it advisable to establish a post on the northern coast of Siberia. Before and during the war the volume of their trade in Siberia was never sufficient to warrant the establishment of a permanent post. But since the signing of the armistice the situation has changed. The company is now trading in Siberia and meeting with considerable success. The need for a post on Wrangell's Island has now become apparent.

Internationally, your correspondent is told, the controversy about Wrangell's Island is of interest, because it marks the first public intimation of the fact that Canadian and British business men are at one in regard to the future possibilities of trade with Russia. Canadians in New York with whom this aspect of the controversy has been discussed unanimously regarded this aspect of the Wrangell's Island question as throwing an interesting light on the way in which Canada is preparing to participate to an even greater extent than at present in exploiting the more backward places of the world.

RAILWAYS WERE UNDERMINED BY THE POLITICIANS

G.T.P. and C.N.R. Branch Lines to Catch the Votes

RASH GUARANTEES

Public Ownership Principle That Roads So Built Cost Nothing Bring Usual Consequence

Special Correspondence.

OTTAWA.—The assertion keeps cropping up in Parliament that public ownership of railways was made necessary by the failure of private ownership. Those who talk in that way must either be partisans or totally uninformed as to the history of events. It is quite true that the Canadian Northern started as a corporate enterprise, and if it had retained that character the problem we now have on our hands would never have arisen. A corporation could hardly have built up such an unsound structure as the Canadian Northern, for the sufficient reason that it could not have got the money.

In 1907 the Canadian Northern was a system of less than 3,000 miles. By 1914 it had added 5,000 miles and had nearly 2,000 miles under construction. That was in the year it broke down, and got from Government help to the extent of $45,000,000. It has since had $250,000,000 from the Dominion treasury. As described by the Wall Street Journal, it has become "a bottomless pit" into which, since it became insolvent in 1914, nearly as much public money has been put as it took to build it in the first place. Long before 1914, however, it had become an absolutely political road. Its private character had been thrown out the window from the day it began its financing on guarantees. The owners of the Canadian Northern may not have been inventors of the innocent looking guarantees; but, if they were not they were at least the first beneficiaries.

Railways For Nothing

Not only did the Dominion get very heavily involved in these Canadian Northern guarantees; but the western provinces were committed far beyond their power to pay. British Columbia went in for $47,975,000, Alberta for $36,066,000, Saskatchewan for $21,150,000, Manitabo for $25,502,873, Ontario for $7,860,000 and Nova Scotia for $4,447,000. At bottom, these operations in guarantees were very largely political—in their most serious aspects, wholly so. The notion prevailed in the West that it was one way of getting railways built for nothing. The provinces merely endorsed the bonds, and that was the end of it. The owners of the Canadian Northern would pay the fixed charges and take care of the principal when it came due. What actually happened was that some of the guarantees had not actually been earned before the shadow of the sheriff, with foreclosure papers in hand, was darkening the doors of western legislatures. If the Dominion Government had not stepped in to protect its own guarantees and prevent the bankruptcy of the western guarantees that shadow would have materialized beyond a doubt.

The story of the Grand Trunk Pacific is essentially the same. Back of the Grand Trunk Pacific itself was a second and entirely separate corporation, about which not one person in a hundred has ever heard. It was called the Grand Trunk Pacific Branch Lines Company, and it built over a thousand miles of roads in the West. Apart from other guarantees, Saskatchewan endorsed the bonds of this branch line corporation for $20,475,000 and Alberta cheerfully signed her name for $4,182,500. Like the

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Outlook Bright In West For Crops Though Area Down

From Our Own Correspondent.

WINNIPEG, (by wire).—There is a persistent tendency to liken this crop season to the bumper year 1915. Both "Manitoba Free Press" and C. P. R. reports Tuesday concurred in opinion that outlook was never better since record crop was garnered. "Free Press" report from 250 points, however, admits delayed seeding. Rain Tuesday and Thursday further delayed farmers. The soil is soaked but with advent of warm sunshine exceedingly rapid growth is foreshadowed, overcoming delayed seeding.

Due to rains, a decrease in wheat acreage of five per cent. in Manitoba, and of fifteen percent in Saskatchewan is forecast, Alberta promising five per cent. increase. "Free Press" estimates Manitoba 3,325,100 acres, Saskatchewan 11,523,200, Alberta 6,379,500.

Manitoba's decrease is due to wet season and increased acreage of coarse grains. Crop damage in flood areas of Assiniboine valley is not excessive. Lands there are chiefly marshy, though C. P. R. reports twenty thousand acres seed land inundated. Saskatchewan decrease is

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Is There A Nigger In The T.T.C. Woodpile?

That large sums are being expended by the Toronto Transportation Commission in connection with the rebuilding of the street railway system without tenders being called and without advice being given to many manufacturers and supply houses, is being generally charged by representatives of firms which are not lucky enough to get the orders which are being handed out. This week, for instance, it is reported that another steam shovel was secured and such important manufacturers as the Marion Company were not even notified, let alone asked to tender. It is reported, too, that the London Concrete Machinery Co. and the Canadian Ingersoll Rand Company could have taken care of orders which went to the United States.

In connection with these charges of big orders being let without tenders being called it is further asserted that a very large portion of the business in machinery and other equipment—even to railroad ties—is placed through Machinery and Supplies, Limited, and it is *pointed out* that Fred Miller, a member of the Transportation Commission is largely interested in this company.

The charter of Machinery and Supplies, Ltd., bears the names of members of the legal fraternity only, but THE FINANCIAL POST has secured the following information regarding the concern:

President, ERNEST N. TUTT.
Vice-president, FREDERICK MILLER.
Secretary-treasurer, ROY MILLER.

These officers are the directors and Walter Hunter is manager.

Ernest Tutt was formerly office manager, THE POST is informed, of Roger Miller & Sons, Ltd., in which Fred and Roy Miller are said to be very largely interested and are directors; they are sons of Roger Miller.

The Transportation Commission has given the public the impression of ability to handle a big job in an efficient way. But such charges as are mentioned here will leave a very bad impression with the people who contribute to Toronto's very heavy tax tolls. There should be a statement by the Commission. If the situation is as claimed then there should be an investigation.

The men who take public office should see that there are no grounds for suspicion that they are profiting unduly. All purchases by such bodies as the Transportation Commission should be made only after tenders are called widely. That is the rule with well-conducted public and private enterprises. The Commission has in its service the purchasing agent who for many years did the buying for the Toronto Street Railway Company but it is understood that things have changed since matters passed out of the hands of R. J. Fleming and that the old system of calling for tenders has been discarded.

New Era in Our Trade Ministry

Business men have often remarked that if our Trade and Commerce Department had a man who administered its affairs as ably as Sifton administered the Immigration, Canada's foreign trade would have been many times greater. Mr. Sifton wasted no time on statistics and red tape and inefficient government employees. He went to get immigrants of the right type by the shortest, most direct methods—exactly the methods that would be adopted by any ordinary common-sense variety of business man and he got them and brought with them the greatest prosperity the country has ever had before or since.

Hon. Mr. King's selection of James A. Robb, the Valleyfield, P.Q., merchant and flour miller, for our Trade Department was well received by the business interests and his work since has created a very favorable impression. He is setting about his work in a practical way and his attempts to promote trade agreements, his attention at trade associations and the addresses he has delivered at these meetings show him to have an even better practical grasp of general conditions than his friends anticipated.

His talk to the representatives of the Confectionery, Biscuit and Chocolate Industries meeting at Montreal last week indicated a new era in our Trade Department. Mr. Robb is not confining his efforts to getting statistics and reports which few read. He is out to sell Canadian produce to foreign buyers. He recognizes that high quality, good salesmanship and good service are the prime essentials. Many of our manufacturers set a splendid example and in quality of product and service they equal and often surpass their competitors. Unless all of them give this service it will be impossible for Mr. Robb to give them much help. He is, therefore, justified in insisting upon these as the first essentials. He can then assist by trade agreements and by employing good salesmen as Trade Commissioners. We hope to publish the refreshing address in part at least in this issue or the next.

Further Taxation of Ontario Manufacturers Talked Of

Two important annual meetings were held last week—the Dominion Mortgage and Investments Association at Montreal and the Toronto Branch of the Canadian Manufacturers, Association at Toronto. At the former gathering were the leading investment experts from all parts of Canada, representing one billion six hundred million of loanable funds ($1,600,000,000). At Toronto, there was a small representation of manufacturers from other Ontario centres.

Relations with various provincial governments were the chief topics of reports and discussions at each. At the Mortgage and Investment gathering the very friendly understanding with the legislatures was much in evidence; but the manufacturer's meeting showed that serious misunderstandings had developed into bitterness which found expression from the Toronto group in violent denunciations of the Ontario Government, of members of the Legislature, and Farmers and Labor generally. These extremes in attitude are all the more remarkable because the questions between the financial interests and legislators are so much more numerous and complicated. D. J. Thom, K. C., Regina, pointed out that there was much less radical legislation in the West than in Ontario, because the Western Governments and the associations and other interests conferred in a friendly way on all points. This was emphasized by Hon. Mr. Stewart, M. P., now Minister of Interior and formerly Prime Minister of Alberta, who spoke of having gone with some of his ministers from Edmonton to Toronto to confer with the members of the Investment Association to ensure that no injustice would be done them in some proposed legislation. It was brought out that the Ontario Government had conferred with the Investment Association regarding Loan Company legislation and practically every change made in the Act was suggested by the Loan Companies' representatives.

At Toronto, the chairman, W. C. Coulter, said manufacturers were regarded as the worst type of citizen, and Mr. Murray, an old member of the C. M. A., suggested that the Association should secretly buy space in newspapers and carry on propaganda to counteract the strong feeling of distrust and antagonism to manufacturing in Canada. This is hardly an accurate presentation of the situation. It undoubtedly represents the sentiment that has developed in Ontario but it certainly does not reflect the feelings of the Legislature and the citizens of Quebec towards the manufacturers of that province. The same may be said of the Maritime Provinces, or for that matter, the attitude of any other province, excepting Manitoba towards their local manufacturers, as distinguished from the C.M.A. generally. An unfortunate boast by Mr. Bulman, Winnipeg, on his return from the annual meeting of the C.M.A., where he had been elected president, aroused an-

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MANUFACTURERS REFUSE TO PLAY GAME OF HYDRO

C. M. A. Will Not Ask Government to Electrify Railways

A BUSINESS PROBLEM

Should be Considered on One Basis Only and That of Cost of Electrification as Well as Cost of Power

Although it was evidently submitted to oppose rather than endorse the radial program of the Ontario Hydro Electric Commission, the Ontario branch of the Canadian Manufacturers' Association at the annual meeting last week very wisely frowned upon a resolution suggesting to Ottawa the electrification of steam lines between Toronto and the Niagara frontier. It is becoming quite evident that the Hydro Commission would welcome some arrangement by which it could sell power to the Dominion government to operate railways. It sounds like good business from the standpoint of the public. But then people do not appreciate that the great factor in electric power, like any other kind of power, is the cost. The National railways should not be expected to come to the rescue of the Ontario Hydro and pay excessive prices for electric power merely to allow the costly Chippawa venture to make a showing.

If steam roads are to be electrified they should be electrified on one basis only and that is when the price of power and the cost of electrification warrant the venture—and not before. The men who are responsible to the people of Canada for the operation of the national lines should be permitted to decide this question on the basis of practical business. Sentimental resolutions by the C. M. A. or any other body should not be introduced to becloud the situation or create a market for Chippawa power.

A Costly Opposition

The resolution was introduced by Geo. H. Douglas of Hamilton who pointed out that there were now too many railroads in Canada and that it would be better to electrify the present line to the Niagara frontier than to build another line. S. R. Parsons opened the discussion by expressing the opinion that there did not seem to be sufficient information to vote the association's opinion on this question. There might be too many railroads in Canada but this did not necessarily apply to another line. Mr. Freyseng explained that the matter of electrification was not being seriously considered by the railroads. He expected that the experiment would be tried of using electric locomotives first within the city limits of Toronto. If this proved successful from an operating standpoint he considered that it was logical to assume that the use of electricity would be extended.

It remained for Lloyd Harris and Col. Hatch, of Hamilton, to bring out conclusive business-like arguments as to why the C. M. A. should not interfere with Ottawa's handling of the railways especially with such meagre information. Mr. Harris referred to the present heavy deficits on the national railways and expressed the opinion that 100 to 200 per cent. would have to be added to the capital cost of the lines electrified—this apart from the question of operating costs.

Mr. Harris and Col. Hatch both referred to the experience of the New York-New Haven and Hartford system which had been one of the most prosperous in the United States but had been forced into the hands of the receivers through the burden of capital involved in a scheme of electrification. Sixty per cent. of the system had since been torn up; the price of the stock had declined from 29[illegible] to 28 and there had been no dividends paid in years despite the fact that the system operated through one of the most populous portions of the United States.

Col. Hatch expressed the opinion that there was no more need for another railway to Niagara than there was for another leg on a dog. There were so few people between the Grand Trunk and Lake Ontario that another line could never be expected to pay its way. Engineering authorities like Sir John Kennedy had investigated and had come to the conclusion that it would be nothing short of folly.

In the face of such arguments the resolution was withdrawn.

Business with the West Indies

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Subscribed Capital	£38,117,103
Paid-up Capital	10,860,852
Reserve Fund	10,860,852
Deposits (Dec. 31st, 1921)	375,117,092

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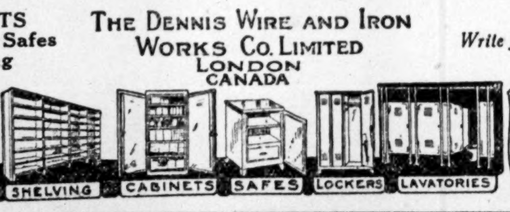

WOULD A BUREAU OF SIMPLIFICATION CUT COMPETITION?

United States Division of Commercial Practice to Standardize Products

REDUCE MANY STYLES

Would Mean Lower Production Costs, Less Floor Space, Fewer Salesmen and Increased Sales

Variety is the spice of life but it has its drawbacks as well as its charms. It is hard on the manufacturer who never knows whether a given style will be a boom or a boomerang. And it is hard on consumers, who are offered more styles than they really want and have to pay in the end for a lot of waste. In many industries with a curtailed number of styles, a dealer could carry less varieties, require fewer salesmen and less floor space and have larger profits. Practically every branch of modern industry offers a field in which simplification or standardization offers great advantages to every one concerned.

In many manufactured products there are styles that serve no purpose whatsoever. For instance a prominent brick maker recently reduced the number of sizes in paving bricks from 66 to 7. The fifty-nine extra varieties had been put out in the vain run of competition, and had accomplished only one thing—running up production costs.

Reduced Variety of Styles

In every fabricated article such as cotton or woolen cloth, or paper, if the machine can be adjusted at the beginning of the week to make a run of uniform weight, no time is lost turning out small lots, and the product can be stored and sold from stock. First, production is simplified; the mills can increase production, since they do not have to shut down and adjust as formerly for special orders, and the cut in operating costs is sometimes as high as 25 per cent. and often more.

Consider shoes. The extent of fashions in footwear has become so wide that a consumer is never sure whether a particular style is in or out of fashion. The manufacturer never knows what the demand will be for a particular shoe and so he makes a lot of many sizes. The retailer has to carry a tremendous stock to meet the helter-skelter demand, with the result that the majority of models are quickly out of fashion and cut prices sales are resorted to to get rid of them. A direct loss to both manufacturer and consumer, to say nothing of the middleman. However, a step in the right direction is to be made in the course of the next two or three weeks by a body of American shoe men who will make an effort to create standard styles.

Overlapping

Closely allied with the shoe trade is that of the boxes they are wrapped in. One prominent paper box manufacturer in speaking to THE FINANCIAL POST said that there are no two manufacturers on the market today who make the same size shoe boxes. There is a slight difference in length and depth in every make. All of which causes unnecessary overlapping and confusion. Another interesting sidelight in the paper box trade concerns the candy makers. It is the policy of this industry to constantly turn out new and novel boxes to attract more orders. Of course the consumer pays in the end. There has been however a movement toward simpler boxes with the resulting lowering of prices.

Again in the sheet metal trade there is tremendous duplication in many lines. For instance, in the matter of preserving kettles, one large manufacturer makes ten different sizes, each differing by about two quarts in contents. Surely people could get along with at least half this number. It is the same with warming pans, one size of which will fit one oven and the next one will not. Therefore the hardware merchant is forced to carry large stocks of different sizes for which there is very little demand. While the space these goods take up could be utilized to a far better purpose.

Standardize Products

In the United States the Commerce Department recently established the Division of Commercial Practice, in other words a bureau of simplification. This division was founded to prevent wasteful duplication in many lines and for the promoting of standard goods. This department will work with the manufacturers of over 50 industries, who are represented on its committees, for simplifying a great many products.

On Saturday of last week there was called for the first time the recent issue of $3,000,000 of 7 per cent. cumulative preferred stock of the Winnipeg Electric Railway Co. on the Montreal Stock Exchange. The issue was made to the public last year and has been dealt in on the unlisted section for some time. The common stock has been listed for years. The price of the preferred and common has strengthened considerably the last few weeks.

No National Loan For Russia

Business Men of England Resolutely Opposed, Declares Arthur Balfour, Deputy President of British Chambers of Commerce—"Stew in Their Own Juice."

GERMAN COMPETITION A MERE BOGEY

Inflation of Currency Striking Hard at Their Industries Now—Falling Into Terrible Morass—England Regaining Coal Trade

From Our Own Correspondent.

MONTREAL.—Those who have been worrying about German competition the last couple of years as likely to invade Canada as well as other countries and destroy the steel business, pulp and paper markets, and in a score of other directions play havoc generally with manufacturing conditions, received an unexpectedly cheerful message from a visitor to the city, Arthur Balfour of Sheffield, not the honored statesman and philosopher, but "one of the family" at that,—a leading cutler of Sheffield, deputy-president of the Associated Chambers of Commerce of Great Britain, a former president of the Chamber of Commerce of Sheffield, and a member in the last few years of a number of most important commissions that have been appointed by the British government, such as the Coal Commission, one on the railways, one on scientific and industrial research, and others.

"We Bought Their Rotten Marks"

"The politicians have made too much of a bogey of Germany," he declared to the Quebec branch of the C. M. A., adding: "I don't think that by the end of the year we will be worrying about German competition. They can't debase their currency as they have done and have any luck in business. Such a bad day will come to them that I almost feel sorry for them now. They have been led into a terrible morass by their politicians. But what did we do? We bought their rotten marks and thought we would make something out of it. They have used the money we placed foolishly at their disposal in different countries to buy the raw materials." But now that money was gone, and now that they had to buy their flax and wool and other raw materials and pay 1,000 to 2,000 marks to a pound sterling; how could they continue to compete under that handicap? A terrible retribution was coming to Germany.

British Can Undersell Now

He went on to give an instance of where in one of his own lines, German manufacturers had been able to produce goods 50 to 60 per cent. cheaper than his own; now he could sell at 25 per cent. less than them. It was at this point he made reference to the penalty they were paying and must pay for the debasement of their currency.

In dealing with the question of reparations, Mr. Balfour stated that to date Germany had paid £78,000,000 in cash and £349,000,000 in property and kind. This was about as fast as the country could absorb it. If the whole debt were paid in cash, Germany would have to sell her goods in competition with England and injure industry there; if the goods came in in too great quantities in competition with domestic manufactures, again industry in England would be hurt. Only by a gradual process of making payment in goods could reparations be met without serious damage to the industries of the country.

Vast Mistake to Meet Bolshevists

The Genoa Conference, he thought, had served two useful purposes; it had brought the statesmen of Europe face to face, and had, like the other conferences, given people something to hope for throughout the turmoil and disaster. But the business men of Great Britain believed firmly that it had been a "vast mistake to meet the Bolshevists at all," for this had only given them an opportunity to carry on their propaganda and they had not neglected the opportunity provided.

"Stew in Their Own Juice"

They should "stew in their own juice," he declared vigorously, "until they are ready to do something. With the vast propaganda they have been carrying on I only hope Lloyd George will get home with something left." When Russia got to the point where she would trade, there was the only point where she could be trusted.

Against Government Loan to Russia

"I absolutely object to government loans to Russia," Mr. Balfour went on. "I object to a country making loans where we could not trust individuals enough to make them loans. We would be simply playing the fool; we would never get it back. Russia is an agricultural country. When she gets ready to send her wheat and hides to market she will have no trouble in getting financed in the regular way, through the bankers. My colleagues, the business men of England, are absolutely against lending them our good money. That money is the revenue we get from taxation; the money we get by selling our homes and pawning our shirts."

Dealing with the situation in Great Britain internally, Mr. Balfour declared that although there were still 2,000,000 of unemployed, conditions were righting themselves rapidly. In February the adverse balance of trade had been reduced to £1,000,000.

"Will exchange be righted?" he asked. "It only means putting in a deuce of a lot of hard work, with everyone turning to and working like a nigger. It will reach par again within twelve months."

The country had paid its way for the past two years, in spite of a budget of £1,400,000,000, larger than the combined budgets of any other two nations. "We won't go on borrowing," he exclaimed, "for that would end in national bankruptcy."

Spoon-Feeding in England

England, however, had been and still was "spoon-feeding" too much, and that had preceded the downfall of the Roman Empire. In 1891 there was being spent £25,000,000 in public services, not including insurance. In 1911 this had risen to £69,000,000, and in 1921 there was spent £257,000,000—where in 1911 the total revenue had not exceeded £200,000,000. This must stop; the country must not continue "making babies" of the people.

"Striking Match on Sago Pudding"

A tremendous change, however, was coming over the British working man. The "Bolshevists and Communists" were having the "rottenest times they ever had in their lives." One of them who had been trying to carry on propaganda work in Manchester the last three years confessed he could make no headway: describing the process as "like striking a match on a sago pudding." During the wedding of the Princess Mary enormous crowds had gathered, Mr. Balfour said, and if a single Bolshevist or Communist had put up his nose in this crowd, "he would have been torn limb from limb."

The country was gradually disposing of its surplus war supplies, and £700,000,000 had already been absorbed, with the attendant difficulty for the manufacturers of having their own goods sold for half the cost of manufacture.

There had been a difficulty in going to working people and asking them to reduce their demands for wages in the face of a failure in many instances of the retailers to make the reductions in prices they should have made. If they held out any longer, however, large campaigns would be started to force prices down, as had been done in a couple of weeks in Sheffield.

"Nationalization" Dead in England

The feeling in regard to the "nationalization" of railways or coal or other industries had changed completely, and to-day if a trades union leader advocated it he would get shot. In general the whole country was opposed to the government "messing" with trade, and were agreed that the sooner the government got out of trade "the sooner we'll have trade."

In the case of the production of coal there had been an enormous change in a few months. At one time Robert Smillie had told the Coal Commission that there must be a higher standard of living, the men must do less work, and produce less, and that the community would have to pay the difference. Now the men were going down into the pits for 5s.6d. It had been found that while the government controlled the collieries there could be no economic settlement and no peace. In the last six months the production had increased 20 per cent. per man, and England had regained her coal trade in the Mediterranean and South America.

In his comprehensive survey he touched briefly on the position of France at Genoa and its relation to Germany. Patience must be exercised, after the terrible devastations the country has received. France had the ore of Alsace-Lorraine, but Germany still held the coke of the Ruhr district, and France must make a deal with Germany and exchange its ore for Germany's coke. "She will face her difficulties, and we will help her to do so," he concluded.

Are Opposed to Empire Free Trade

In a recent address Lloyd Harris expressed the personal opinion that Empire free trade would be a good thing for Canada. That this opinion is not held by the Ontario branch of the C. M. A. was made clear last week at the meeting of the association at Toronto when a resolution was favored reaffirming the attitude of the association as being against further extension of the preference and any reduction of the general tariff schedules.

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SEND RIGHT MEN TO GET CAPITAL FROM ENGLAND

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MONEY IS THERE

British Financier Advocates That Financial Needs of the Empire Should be Supplied Within Empire

From Our Own Correspondent

WINNIPEG.—Charles Edward Cottier, a power in British financial circles, principal in a firm of lawyers on Cannon Street, London, chairman of Booth's Distillery, Ltd., chairman of the popular A. B. C. restaurants, of Buzzards, and of the Criterion restaurant, in Winnipeg during the week while en route to the coast expressed the conviction that there would be a return of the flow of British capital which was directed to Canada in pre-war days. H. L. E. Malone, managing-director of the London Insurance Brokers is accompanying Mr. Cottier on his Canadian tour, presumably "spying out" the Dominion's future investment prospects.

Mr. Cottier believes that the British Empire should be self supporting. "As a people we loan to every foreign nation in the world and only too often never get paid," he said discussing the current surplus of public savings deposited in British Banks, with the immediate idea before him of directing these funds to Canada. He continued: "Taking our governmental loans to other nations, history has been that we hardly ever get repaid. Take our borrowings from other nations, we have always paid them. We will repay the United States our war debts. The undertaking we have given in this respect will be kept unqualifiedly. It is being kept. Too fast to my way of thinking. Our chancellor seems to be expecting to pay it off in 20 years. I have been advocating paying it off in 100 years. The balance which would then be retained through the lesser taxation would go back into trade. By this method of paying the interest every year, and not so much of the capital debt as we have been paying off, industry would be getting a better chance. If you deplete trade of its lawful capital requirements, you deplete the exchequer to give respite to trade, the gains made in the latter eventually become gains to the exchequer. I am given to understand that to assist trade in this matter it is very probable that the rate of paying off the war debts will not be quite so rapid as it was first intended; for, after all, the British taxpayer, the most heavily burdened in the world deserves some immunity."

Send the Right Men

Developing the idea of the self-contained empire, Mr. Cottier said, "With our capital lying idle loaned on fair terms, and secured by each of the commonwealths in the Empire giving each other reasonable preference, we can be self-supporting financially and industrially, and become absolutely independent of the whole world. It is absurd that this money should be loaned to foreign countries when it could be developing Canada and the other countries within the Empire. People talk much these days of investing in Russian oils; but I for one, never could advise them to do so. In Canada, that is different; but in my professional capacity I have had to reject applications from Canada.

"What is the trouble with Canada? Nothing is the matter with Canada that I know of. But a lot is often the matter with the representatives Canada sends to secure loans from British financiers. Most of those applications I have turned down have been because the sources were not sure. The right people, or the right kind of people, did not come asking for the loans. Put your cards, all of them, on the table, and British financiers will deal with you. But we're afraid too often of the men you send over to us; just as possibly you often do not have the right kind of Englishmen come over to do business with you. Conditions being right, though, Canada should be able to secure in England all the money she legitimately requires. There should be no difficulty about this when the case is properly put, when there are no intermediary profits, and when all the loan is being put into the business for which it has been obtained, and not where out of a loan of a quarter of a million pounds some $80,000 are put into someone's pocket.

The G. T. R. Affair

"It is not that there is any disbelief in the productive powers of Canada," said Mr. Cottier. "It is not that there is any wide fear of your legislative interference with loans to you. Of course the Grand Trunk matter is generally considered by British financiers as a colossal miscarriage of justice and it is most probable that it will be appealed to the privy council. The unanimous opinion is that as it stands it will do incalculable harm to Canada. You can't take a railway and say that its common stock is valueless. These are views held by persons who have no interest whatever personally in the matter. They look for adequate legislative protection in any country in which they loan their moneys. That is not unfair. We, too, have our asinine suggestions in our parliament as to what shall or shall not be done with those who owe us and with the debts we may owe. One member recently advocated that because the United States has never paid us the money she still owes us since the War of Independence that we should not pay her the present debt. But we don't do things that way. Our debt will be paid in full."

STRIKERS SECURE BETTER PUBLICITY

This is Noted in the Propaganda in Connection With the Coal Wage Crisis

There are no new developments in the coal strike, as far as any real action on either side is concerned. The cases of the miners and of the operating proprietors are being presented to the public, mainly through the hearings of the House Committee on Labor, which is taking testimony to get light on Representative Bland's bill for a Commission to inquire into labor conditions in the coal industry. Several operators of bituminous coal mines and several officials of the mine workers' union have appeared before the Committee, but in the matter of publicity the miners' side seems to have gotten the most attention.

Ivy L. Lee, in his publication "Public Relations," in commenting on this, says that the newspapers and magazines have devoted double the space to the miners' side of the controversy, notwithstanding the fact that the operator's program aims to benefit the public by the ultimate reduction of coal prices, while the miners' demands, if granted, would inevitably have exactly the opposite effect. Mr. Lee attributes this to organized effort on the part of the miners, compared with considerable lack of organization, and general disregard to the fundamental principles of publicity on the part of the operators.

AUTOS IMPORTED AND DUTY PAID

Some Interesting Information Presented to the House of Commons

Answering Mr. Coote in the House of Commons, Hon. Mr. Bureau gave the following details of the number of automobiles imported into Canada their value and the amount of customs collected during each of the last five years:

Automobiles: Passenger

Fiscal Year	Number	Value	Duty Collected
1918	16,118	$11,317,245	$3,961,035
1919	6,473	5,326,510	1,864,278
1920	10,805	11,204,461	3,920,544
1921	5,907	8,399,537	2,936,004
1922	7,181	9,501,362	3,278,258
Automobiles: Freight			
1918	964	$ 1,275,179	$ 446,312
1919	1,744	2,274,748	794,745
1920	2,274	3,831,084	1,338,386
1921	1,706	3,578,938	1,240,452
1922	806	1,537,765	533,541

Similar information was also given as to automobile parts:

Fiscal Year	Value	Duty Collected
1918	$ 6,671,419	$2,050,973
1919	6,660,770	2,095,035
1920	12,674,823	3,966,277
1921	11,760,367	3,642,198
1922	10,211,791	3,053,875

Hydro Staff a Sort of Family Affair

In the Ontario Legislature the following questions were asked by Mr. Sandy:

(1) Is R. E. Gaby employed by Hydro Commission? (2) How long has he been employed? (3) Does he receive a retainer as well as consulting fees for his work? (4) What amount of money has he drawn altogether from the Commission? (5) Is he a brother of the chief engineer? (6) Is J. C. M. MacBeth employed by Hydro Commission? (7) What amount has he drawn altogether from them? (8) Is he a brother-in-law of the chief engineer of the Commission?

And Mr. Carmichael, Minister without Portfolio, replied:—

1. Dr. R. E. Gaby has been from time to time in consultation and in attendance upon, for medical and surgical treatment, employees of the Commission suffering from serious injury or sickness, principally arising under the Workmen's Compensation Act.
2. When occasions arose since his return from overseas in 1918.
3. No.
4. $6.111.35 since 1918, which includes travelling and other out-of-pocket expenditures when visiting injured persons out of the City.
5. Yes.
6. In 1918 he was retained to close up four troublesome titles which required Court proceedings.
7. $672.50.
8. Yes.

CHANGE OF RAILWAY BOARD

From Our Own Correspondent.

NEW YORK.—The report is in circulation here that the present Canadian railway administration will go out of office on the first of July.

CANADIAN CAR CO. MAY PARTICIPATE IN SERBIAN ORDER

Is Associated With American Car and Foundry Company

SOME ADVANTAGES

The Connection Would Bring Benefits to American Interests—Same Conditions Apply to Russia

From Our Own Correspondent

NEW YORK.—The report published in both Canada and the United States that Canadian capital was participating in the syndicate which plans to build railways and terminals in Serbia, apparently arose from the fact that the American Car and Foundry Company, with which the Canadian Car and Foundry Company is affiliated, was said to be connected with this enterprise. While strength was lent to this report by the fact that J. E. Aldred and a group of Canadian engineers connected with the Shawinigan enterprises were in Italy, arranging to undertake the development of certain important Italian hydro electric enterprises, direct confirmation of the participation of either the Canadian Car and Foundry Company of the Aldred interests in the Jugoslavian enterprise is unobtainable. The American Car and Foundry Company has denied its connection with the project. The nature of the information received here by Canadian institutions in touch with the situation in the countries lying about the Eastern Adriatic is such, however, that it is regarded as being quite likely that the Canadian Car and Foundry Company has or will have something to do with either the building of the new Serbian railways or the supplying of the equipment.

As New York Hears It

The story as it was receiver here, from private sources, before it appeared in the newspapers, was that a syndicate made up of the American Car and Foundry Company, the Equitable Trust Company and several American railway equipment companies had offered to build and operate a system of railways. The plan was to involve the construction of railways not only connecting Belgrade with two points on the seacoast but was to open up the whole country. The syndicate was said to have offered to finance the enterprise to the extent of $187,000,000 and to have agreed to operate the whole system over a period of years.

This suggestion, as is now generally known, has been accepted by the Serbian Government and a public announcement has been made by the Government to that effect. Thus it is not altogether impossible, if the surmises that are being made here regarding the connection of the Canadian Car and Foundry Company with the project are even approximately correct, that before long Canadian railway cars will be bearing Serbian products to the seacoast just as Canadian tank cars are now bearing Russian oil in the Baku district.

Work Through Canada

A well informed railway supply man with whom your correspondent discussed this matter, said that it was quite likely that American equipment companies anxious to obtain Middle European orders and concessions would work through Canadian and British organizations. Such a procedure would enable them to take advantage of the superior connections of the British in the more backward parts of Europe. The American policy of isolation from European affairs was not one which enabled the American government to give its nationals much assistance in obtaining orders.

"And if Lloyd George succeeds at last in effecting some satisfactory trade agreement with Russia," this man said, "and the United States Government continues to stand aloof, this tendency for American exporters to work through Canadian connections in attempting to obtain Russian business will increase. You must not think that the General Motors Company is the only American exporter that knows the advantages in the foreign trade field of shipping from a British country."

WORKERS TAKE REDUCTION

Adjustment of Clothing Makers' Wages at Chicago

Chicago and Milwaukee clothing workers have signed a new wage agreement embodying a moderate reduction. The election of George Jablow, five years ago as garment cutter and member of the union, as chairman of the Cloak, Suit and Skirt Protective Association in New York, whose membership represents a capital investment of some $200,000,000, seems to mean a changed policy on the part of that organization. Mr. Jablow said: "I believe I was elected because it is necessary to have a head of the association who has a thorough knowledge of working conditions in our factories." He wants peace and is willing to confer with the workers at all times, but states that a changed attitude on both sides is necessary to success.

HUDSON'S BAY CO. HOUSING PROGRAM

Ten New Homes Being Added to Buildings of Edmonton Subdivision

From Our Own Correspondent.

EDMONTON.— The Hudson's Bay Company will continue its house building program in this city and has ten new dwellings now under construction. A beginning on a housing scheme was made by the company last year, when eight houses of the English cottage type were built on what is known as the Hudson's Bay Reserve, a new residential section in the west end of the city. The ten additional houses now being put up are in the same locality, and if a reasonably speedy sale is found for them the company, it is understood, will develop its housing programme still further during the next few years. All the houses are built on property that the company owns, and the scheme is intended to be a means of popularizing the district for home-building purposes, thus starting a movement toward getting it filled up.

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NO FORWARD MOVEMENT OF MARKETS YET

Indications That Market Will Advance Rather Than Slip Back

NORMAL REACTION

Small Activity in Industrial Issues—Government and Municipal Bonds Very Quiet

There has been only a slight broadening out in the trading on the markets during the past week, caused by the popularity of some of the industrial and traction issues. There are few indications of an early resumption of the forward movement. At present the market is influenced by the very easy money situation. This condition has forced the price of first-class bonds down to a point where there is very little interest being taken in them. Even the insurance companies are turning their attention to the mortgage field, in order to get a better return on their money. Mortgage rates are very attractive at present. A sign of the times is that financial houses which in the past have dealt largely in government and provincial bonds, are turning their attention to the high class industrial issues.

Some people see in the present market conditions an end to the forward movement of the markets; they point out that the long sustained advanc has far outstripped the improvement in business and that the market is in an inflated position. However, the Bache Review takes a somewhat different view and points out that, "the stock market, having fulfilled for the present its mission as a barometer of future business, is resting temporarily from its role of prophet. As the mechanism of a stock exchange is in the nature of a pendulum, rest does not mean standing still in mid-air, but involves for a time swinging in the other direction. This is what the market is doing this week. The forces, however, which have been giving it its momentum, are now beginning to come to light. The movements in steel production and in the volume of the country's transportation, are pretty positive indications of a trend towards resumption of at least normal activity, and even of late prosperity. The stock market has faithfully predicted this. It may be assumed that the resumption once under way will not be confined in its duration to a few months. Consequently, it is hardly probable that the normal reaction in the stock market can be taken as an indication of the end of the bull market. Such a complete reversal would indicate the coming again of hard times. It is too soon in the progress of business revival for such an outcome, unless brought about by catastrophies entailing world-wide disturbance. None such appears to be imminent or even remotely indicated."

"There is no reason to take other than a generally optimistic view of the course of security prices," according to Hayden, Stone & Company. "It would be idle to say that there are such opportunities in the market to-day as existed eight months ago or that there is a greater risk involved. Every considerable part of the upswing of the market is now behind us, reactions are bound to be more frequent, and more serious, but until there is a much greater impairment of the financial position, there is no occasion for alarm."

Swift Current Creditors Opposed to Settlement

Creditors of the city of Swift Current met in Toronto this week to consider the terms of a plan of proposed adjustment and settlement of the municipality's financial affairs, arranged at a meeting of representatives of the city, the debenture holders and the banks at Swift Current on May 1. The plan provided that a five-year agreement be approved providing for payment of interest only at the rate of 3 per cent. with a proviso that any interest not collected up to 3 per cent. in any year be paid in subsequent years if circumstances warranted or capitalized at the end of a five-year period. Furthermore, sinking fund and principal payments falling due during the five-year period were to be deferred until the end of the term.

These and other provisions of the proposed agreement were submitted and explained to the meeting by J. B. McKechnie, who represented the debenture holders at the investigation at Swift Current. The creditors, however, did not view favorably the proposals and expressed the opinion that the agreement between the City Council of Swift Current and representatives of the debenture holders made in December last was fair and equitable, and therefore its adoption in the best interests of the city as well as its creditors.

OUTLOOK BRIGHT

(Continued from page 1)

due to late season and autumn's excessive wet. Alberta's increase attributed to splendid condition of soil after winter's heavy snows and to early spring which prompted wheat sowing where coarse grains might have been seeded.

Manitoba reports 95 per cent. seeding finished. Saskatchewan 55%, Alberta 90% in the north and 70% in the south. Late seeding is offset by excellent condition of seed bed. Farm labor is plentiful at $35 to $45 monthly. Reduction of $15 to $20 in wages from last season is noted.

EXPECTING BRAZIL TO PAY DIVIDEND

Notable Strength Displayed as Result of Confident Reports of Declaration

From Our Own Correspondent.

MONTREAL.—An outburst of activity on Tuesday and Wednesday carried Brazilian stock up to a new high, easily leading the market in the number of sales and the advance. The opinion is held freely here that the company will start dividends with the July quarter. It is known that it has invested in Canada over $10,000,000 and that a dividend could be declared with this as a basis in spite of exchange still holding under 50 p.c. of normal. The announcement of the over subscription of the Brazilian coffee loan also helped the situation.

Granby Produces About 2,000,000 Pounds Month

Granby Consolidated Mining, Smelting & Power Co. is producing about 2,000,000 pounds of copper monthly, or at the annual rate of 24,000,000 pounds. Company also turns out about 40,000 ounces of silver a month. It is expected that output will be further increased.

With the cost of around 11.60c a pound and a 13¼c. copper market, it is estimated that Granby is earning at an annual rate of more than 50c a share, without considering silver returns or expected saving in fuel costs of between $150,000 and $200,000 a year.

Granby did not have an easy time of it in the three years ended December 31. At the end of 1921 working capital totaled approximately $145,000. But it is understood that the greater part of the metal inventories listed in the 1921 balance sheet at $3,501,278 have been turned into cash. Furthermore, the company since then has sold 30,000 shares of stock at $25 a share.

BETTER PROSPECTS FOR CANADA CEMENT

Output Expected to Run From 40 to 50% of Capacity This Year

From Our Own Correspondent.

MONTREAL.—At the annual meeting of the shareholders of the Canada Cement Co. on Wednesday afternoon, the president, F. P. Jones, stated that the output during 1921 had been 40 per cent. of the capacity. He did not expect much better than 40 to 50 per cent. during the current year. He spoke encouragingly of his recent visit to South America where there was quite a demand for Canada Cement Co.'s product. The export business generally was quite satisfactory. There would be a big development in Canada in the demand for cement for road making, but not much this year.

Referring to the new building—a $2,000,000 office structure—in which the meeting was held, Mr. Jones believed this would be a successful business venture.

In the election of directors—changed now from 15 to 16—H. C. Fox of the Canada Life Assurance Co. retired and Hon. J. L. Perron, K. C., and Senator Casgrain were added.

Canal Project Severely Criticized by Casgrain

The St. Lawrence Ship Canal was severely criticized in the Senate by Hon. Mr. Casgrain, recently, who claimed that it would cost as much as two C. P. R.'s or four Panama Canals. Even the most optimistic results claimed by its proponents would not justify the expenditure, he said. Nor did the arguments that he used emanate from Montreal or Montreal interests but were the result of long and careful study of the St. Lawrence and other navigation schemes in Canada.

The object of the project was to permit ocean going vessels to enter the Great Lakes and return without breaking bulk. Reliable estimates placed the cost at $1,300,000,000 and it is common knowledge that estimates are always greatly exceeded in construction, as for instance the cost of the Chippewa power canal. The power possibilities of the scheme had also been over estimated, claimed Senator Casgrain, who added that the great number of locks would make rapid transportation impossible.

Coal Miners Losing Out in Strike, is Evident

Unless there is a change, and a very marked change, in the coal strike situation, the miners have lost the strike. They may not know it now, they may not know, admit or face it for weeks, but unless they can somehow check the production of non-union coal, they will lose.

The non-union lines are holding in the West Virginia and other coal fields. For a time there was considerable unionization; but this has dwindled. Little or no union gains are being reported.

The country does not know it has a coal strike. Turning into that long stretch of warm weather that extends on into December, the last thing we are thinking of is coal. The railroads have plenty of coal; industry is having no trouble in meeting its needs; there is no pinch anywhere; no sign of the general uneasiness that would revive public interest in the coal situation.

Inquiries from Germany continue to be received by the Newcastle Coal Exchange, which in the past few days has sold 500,000 tons for German industry.

UNLISTED SECURITIES

	Bid	Asked
Abitibi G. Mort. 6s 1940	86	89½
Algoma Steel 5s 1962	57	....
Alta. Pacific Grain com	101	112½
Do pref	87	90
Ashdown Hard. 5s 1928	87½	....
Can. Oil com.	47	51
Can. Westinghouse	110	....
Cockshutt Plow pref.	44	46
Colling Ship Bld com.	35	42
Do 6s	90	....
Davies, Wm. 6s	100¼	....
Cuban Can Sugar pref	16	17
D. Iron & Steel 5s 1939	76	....
Dom Power com	23½	25
Dunlop Tire 6s	90	....
Eastern Car 6s	90	....
Famous Players pref	47	51
Great West Life	201	....
Gunns Ltd pref	65	67½
Home Bank	....	100
How. Smith P. 7s 1941	92	94
Imperial Oil	113	116
King Edward Hotel com.	57	62
L. Superior Paper 6s	94	....
Lambton Golf	425	....
Manufacturing Life	38	....
Massey-Marris	46½	49½
Mattagami debs.	31	35
Murray-Kay pref	54	57
National Life	40	....
Neilson, Wm. 6s	90	....
N. S. Steel 6 p.c. deb.	73	74
Ontario Pulp 6s	94	....
Robt. Simpson pref.	81	82
Spanish River 8s 1941	100	101½
Toronto Power 5s 1924	94½	96
Trust and Guarantee	72	....
Amer. Salesbook 6s	98½	....
English Electric com.	21½	23
Do pref	96	100
Mount Royal Hotel com.	24	26
Western Assurance	4½	....
Western Power 5s	76	....
Whalen Pulp com	....	10
Do pref.	28	....
K. E. Hotel Cons pref	66½	71
Peoples Loan	67	....

First Mortgage Industrial Bonds yielding 7½% to 9%

While Government and Municipal Bonds have advanced in price, sound industrial bonds are still obtainable at a relatively low figure.

We can offer a selection of the highest grade First Mortgage Bonds of sound Canadian industries, of various maturities, yielding from 7½% to 9%. These bonds are well secured, and afford a thoroughly sound investment. Write us for particulars.

Graham, Sanson & Co.
Limited
INVESTMENT BANKERS
85 Bay Street 37 James St. S.
TORONTO HAMILTON

We offer

Canada Steamship Lines, Limited

7%

20 Year First Mortgage Collateral Bonds

The volume of business conducted by the Canada Steamship Lines is indicated by its service between the vast grain-producing territory of the West and the Trans-Atlantic lines, and by its handling of Eastern manufacturers' freight for the West, plus a great amount of passenger traffic during the summer season.

The security is ample and the record of earnings sufficient to justify the complete confidence of investors.

Price: 97½ and Interest
Yield: 7¼%

Write for descriptive circular.

McLeod, Young, Weir & Co., Ltd.
23 Jordan St. 40 Hospital St.
TORONTO MONTREAL

First Mortgage Bonds

With a bonus in common stock

Such an investment opportunity will be offered by us shortly redeemable and convertible sinking fund first mortgage gold bonds. The debentures are first lien on land, mills, machineries, patents of a large corporation being organized in Montreal, the direction of which is composed of men of outstanding prominence in the various spheres of business and finance.

The debentures will carry a substantial bonus in common stock.

Write for particulars.

Credit Canada Limitee
145 St. James St. - Montreal

Clifton Porcupine

ORE equal in grade to that of any Northern Ontario gold mine has been opened up in substantial quantity in the work which has been done on this property.

Foar cars, shipped to the smelters, totalling 82 tons in weight, gave an aver age of $147.68 per ton.

A new Treasury issue of 170,000 shares, the proceeds to be used in building a milling plant, is now offered for public subscription at 30c. per share.

No commissions are being paid, so that every dollar subscribed goes to the treasury without deduction.

Write for details of our "Money Back" offering of this stock

Homer L. Gibson
AND COMPANY
Bank of Hamilton Building,
TORONTO

THE 15 BEST INVESTMENTS

Our Bulletin, "Where Big Profits Are Assured," contains a list of fifteen of the best Canadian investments, on which we anticipate market appreciation ranging up to fifty points.

Write for Bulletin 29.

Dickinson & Walbank
Members Montreal Stock Exchange
152 ST. JAMES ST., MONTREAL
Main 885-6
T. Kelly Dickinson, J. Y. K. Walbank, W. M. Walbank.

6¼% Yield **Twenty Years**

Your Money Is Doubly Secured In Municipal Bankers Bonds

Every dollar you invest in these 20-year 6½% mortgage gold bonds will be doubly protected. Not a single Municipal Bankers Bond can be issued without a certificate from the Montreal Trust Company that each bond is secured, dollar for dollar, by assets actually deposited with the Trust Company as Trustee for yourself and the other bondholders. These assets must consist of an equal amount of carefully selected mortgages on improved Ontario property, Government bonds and municipal debentures.

Every mortgage so deposited must be accompanied by a certificate of appraisal by an independent valuator. It must also be approved by an Investment Committee chosen from the Board of Directors of the Municipal Bankers Corporation.

As additional security for the bondholders, the Trust Mortgage provides for a Sinking Fund which increases from year to year until at maturity each $1,000 Municipal Bankers Bond will be backed by $1,400 in carefully selected mortgages or Government and municipal bonds. This sinking fund may be used, after the fifth year, to retire Municipal Bankers Bonds.

Other Attractive Features of this Splendid Issue, are:-

The highest rate of interest consistent with safety. Convenience of denominations—$100, $500 and $1,000. Assurance of saleability when cash is required. Prompt payment of both principal and interest in cash when due.

Ask any of our Agents for, or let us send you a copy of, our booklet "Dollar for Dollar," which gives you complete information about these bonds.

Gordon and Walls
33-35 Victoria Street, Toronto

Double Security **Liberal Returns**

FAIR TREATMENT FOR UTILITIES IN EASTERN PROVINCE

Engineers Recommend Allowances for Working Capital, etc.

RATE FIXING BASIS

Organization Costs, Legal Expenses and Going Value Are Other Points Taken Into Consideration

From Our Own Correspondent

HALIFAX.—A report on the physical value of the properties of the Nova Scotia Tramways and Power Company has been submitted to the Provincial Board of Public Utilities, by Jackson and Moreland of Boston, engineers employed by the board for that purpose. These engineers, who were assisted by Halifax engineers and real estate men in making a valuation of the buildings and lands used or useful in rendering the service of each of the three departments, the electric light and power department, the tramways department and the gas department, submit estimates of the cost of reproduction of the company's property on three different bases.

1. On the basis of the average prices of materials and labor prevailing on October 1, 1921;

2. On the basis of the average prices of materials and labor during the twelve years preceding that date; and

3. On the basis of the original costs, i.e., the actual costs of various elements of the property now in service.

On these three bases the estimates of value are given as under:

Total costs as of Oct. 1, 1921.	$6,554,400
Less overdue renewals and repairs	201,100
Net valuation of physical property	$6,353,300
Total cost of 12-year average	$5,030,800
Less overdue renewals and repairs	156,400
Net valuation of physical property	$4,874,400
Total original cost	$4,344,800
Less overdue renewals and repairs	139,600
Net valuation of physical property	$4,205,200

In the annual report of the company the plant value as of December 31, 1921, is given as $5,227,248, while the total assets are placed at $8,124,242, which includes unamortized discount and expense on original issues of $2,250,288.

Liberal Allowances

In submitting their figures to the Board of Public utilities the engineers state:

"In determining the fair value of the physical property of the company for rate-making purposes, it is our opinion that it is reasonable to consider all three of the estimates, but in each instance the estimated amount of overdue renewals and repairs should be deducted from the estimated new cost, to arrive at the corresponding present value on each of the three bases. The relative consideration to be given to three respective estimates in arriving at a fair valuation for rate-making purposes is finally a matter for judicial determination by your honorable commission, after hearing the evidence and argument in the case."

The engineers add that to the value of the physical property should be added whatever allowances are established for working capital organization, legal expenses and going value. They make allowance for working capital in the sum of $110,000, but leave the other items to the determination of the Board of Utilities.

The net physical valuations of the different departments on the basis of the twelve years' average are given as follows:

Tramways	$1,721,000
Electric light and power	1,844,400
Gas department	1,309,000

The company's consolidated statement for December 31 last showed against assets of $8,124,242, the following liabilities: preferred stock $2,078,800; common stock $2,510,000; 1st mortgage 5 per cent. certificates outstanding $2,250,000; coupon notes $1,000,000; accounts payable $209,869; accounts not yet due $48,696; suspense $26,876.

WINDOWS SELL CIGARETTES

One Reason Why Cigars are Losing Popularity

From Our Own Correspondent.

LONDON, ONT.—Discussing with THE FINANCIAL POST the heavy falling off in sales of cigars and the big increase in cigarettes one of the city's largest manufacturers of cigars laid the blame at the door, or rather at the window, of the retailers.

"Just make a survey of the cigar stores of this city," he said, "and it is doubtful if you will find cigars displayed in a single window. What is true here is true all across the Dominion. The retailers now and for some time past have been filling their windows with cigarettes, pipes and everything but cigars. Now if a grocer or a druggist wish to boost sales of any line they show it prominently in their windows. The same principle applies exactly to cigars. Cigars have been kept in the background and as a result sales are away down. Cigarettes have been displayed and advertised and windows filled with attractive advertising helps. As a result more cigarettes are being sold now than ever and the cigars are suffering."

GASOLINE PRICES ARE BEING BOOMED

A Runaway Market is Now Being Predicted for Midsummer

Numerous advances in gasoline prices since early April confirm predictions a few months ago that midsummer would see virtually a runaway market in gasoline. There is no doubt in minds of oil men that 1922 gasoline consumption will set new high record mark, says the Wall Street Journal.

To understand impending shortage, which is becoming more apparent daily, it must be remembered that for several months more than 15 per cent. of record domestic crude oil production was represented by Mexia crude. This oil is valuable for its lubricating yield particularly and did not increase available supply of gasoline proportionately with amount of oil produced at Mexia.

It is this reason, particularly, that most big refiners in Gulf Coast section, where major part of Mexia's "flush" oil was discovered, now find themselves with hardly sufficient gasoline to take care of their marketing situations and none for wholesale. Their position in this respect was further accentuated by recent heavy export movements of gasoline, induced by very favorable prices.

There has been a marked diminution in amount of gasoline in storage from record stocks of 818,000,000 gallons end of February. In two and a half months elapsed since that time large quantities of gasoline have been taken from storage, but this decrease is not likely to be shown until April and May figures, which will not be available for from six to ten weeks hence.

Big export movement of gasoline and other refined oils started in March and, according to leading refiners on Atlantic and Gulf coasts are to-day heaviest they have been since record year of 1920.

AMERICAN INTERESTS IN ICE CREAM FIELD

International Company of Detroit Has Secured Plant At London

From Our Own Correspondent

LONDON.—The rich business field in South Western Ontario for dairy and ice cream products, which has been largely controlled by London and Toronto firms is being invaded by the Americans. This week negotiations were completed by the International Creamery Company of Detroit for the purchase of the old plant here of the Dominion Abattoir Company. Complete modern equipment for handling dairy products and manufacturing ice cream will be installed and the American firm plans to be ready for business by June 1 if possible.

In addition to this development this spring the Ontario Creameries have installed a modern plant for the manufacture of ice cream and Silverwoods Limited, are making important extensions.

One result of these expansions is to create a larger demand than ever for all the cream the farmers of the district can produce and large fleets of motor trucks are now in use for collecting. In addition thousands of gallons come in each day on the steam and electric railways.

DETROIT IS BUSY

Activity in manufacturing lines, in addition to automotive trades, shows marked improvement in Detroit. Detroit has large stove, overall, pharmaceutical, adding machine and varnish interests, from all of which reports are encouraging.

April business of Michigan Stove was largest month's business in a history of fifty years.

CONSOLIDATED RUBBER

A meeting of shareholders of the Consolidated Smelting and Refining Company will be called shortly to authorize the proposed new issue of 7 per cent. bonds. A portion of the offering, it is learned, will be made to the shareholders first.

STOCK MOVEMENTS OF THE WEEK

Week Ending May 16

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	186	183	187	186¾	187	161
Dominion	12	193½	192	193	191	192½	82
Hamilton	12	170	169	170	168	170	54
Hochelaga	10	....	146	147	145	145	18
Imperial	12+1	172½	171	170½	170	170	33
Molsons	12	158	157	158	158	158	22
Montreal	12	218	215	218	216½	217	310
Nationale	6	100	....	100	100	100	17
Nova Scotia	16	....	257	259	257	259	8
Royal	12	....	197½	200¾	198	198	128
Standard	14	201	200	200	200	200	38
Toronto	12	....	177	179½	176	176	10
Union	10	....	137	137¼	137¼	137¼	25
Industrials, Utilities, etc.							
Abitibi Pulp and Paper com.	..	54¾	54⅝	55	52¾	54	5502
Ames-Holden pref.	..	10	....	11¼	9½	9½	193
American Salesbook com.	..	16	15½	15½	15½	15½	50
Do pref	7	90	89	90	89¾	89¾	20
Asbestos Corp. com.	6	55	53½	56	54	54	80
Do pref	7	75½	75	76	75	75	225
Atlantic Sugar com	..	23	22	23½	18⅛	22½	3327
Barcelona Traction	..	6⅝	6½	6½	6	6½	351
Bell Telephone	8	111½	110½	111¾	110	111¼	1793
Brazilian Traction com.	..	45⅞	45¾	46⅛	44	45¾	14610
B. C. Fishing	..	28	....	28	27	27	15
British Empire Steel com	..	12	11	11½	10½	11½	137
Do 1st preferred	7	76	74	75	74½	74½	35
Do 2nd preferred	..	29	28	28½	25	28½	870
Brompton Pulp com.	..	32¼	32	32½	31	32	2220
Burt, F. N. com	10	116	114	114½	114	114½	77
Do pref.	7	112½	....	114	114	114	5
Canada Bread com.	..	32¼	31¾	34½	32	32¼	604
Do pref.	7	....	95	95	95	95	10
Canada Car & Foundry com	..	26¼	26	26	26	26	220
Do pref	..	57	56	57¼	53¾	57¼	395
Canada Cement com.	6	65	64½	64½	62	64	891
Do pref	7	....	92	94¼	91½	91½	335
Canada Steamships com	..	22¼	22	22½	18½	22¼	1534
Do pref	..	55	54¾	55¼	51½	55	3061
Canadian Converters	7	81½	80	83	80½	80½	97
Canadian Cottons com.	8	....	90½	91	90	91	105
Do pref	6	82	81	82	81	82	457
Canadian Foundries & Forg. com.	..	....	....	40¾	30	40¾	365
Canadian General Electric	8	92	91	92	90½	91½	760
Canadian Locomotive pref.	7	85	....	84	84	84	20
Canadian Pacific Railway	10	141½	140½	143½	140½	141¼	200
Canadian Salt	8	84	....	83	77	83	228
City Dairy com.	10	125	123	125	116	125	324
Consumers Gas	10	151	150	151½	150	150	75
Detroit United Railway	..	62¾	62	63⅛	61¾	61¾	316
Dominion Bridge	4	72½	71	71¾	71	71	122
Dominion Canners com	..	33	32½	33⅝	32	32½	140
Do pref	7	74½	....	77	75	75	125
Dominion Glass com.	6	....	66	67	65½	65½	168
Do pref.	7	....	94	95	95	95	40
Dominion Telegraph	6	....	39	40½	39	39	123
Dominion Textile com	12	155	....	155	153	153	95
Do pref.	7	....	109	109	109	109	10
Dominion Coal pref	7	76	75	76	75	75	
Dominion Iron pref.	7	75	....	75½	73¾	73¾	125
Dominion Steel Corp. com.	..	32	31	31	30	31	250
Do pref.	6	....	70	75½	74	75	34
Duluth-Superior	..	20	18	18	18	18	10
Ford Motor Car.	15	390	380	385	380	385	30
Howard Smith Paper com.	6	69¾	....	68	68	68	57
Do pref.	8	92½	91½	92½	91	91	163
Illinois Traction com.	..	....	34¾	34	34	34	80
Intercolonial Coal com	9	....	....	60	60	60	25
Kaministiquia Power	8	83	82	83	83	83	40
Lake of Woods Milling com.	12	....	163	166	166	166	10
Do pref.	7	....	109	109	109	109	10
Laurentide Paper	6	88½	87	88½	86½	88	716
Lyall Construction	..	42	41½	42½	40	42½	653
Macdonald A. com	..	15½	15	15	15	15	40
Mackay com.	6	93½	93	95	93¼	93½	1638
Do pref.	4	....	66	66¾	66	66¾	253
Maple Leaf Milling com.	12	137	132	137	132	132	165
Do pref.	7	100	99¾	100	99½	99½	237
Monarch Knitting pref.	7	....	80	80	80	80	35
Montreal Cottons pref.	7	106¼	....	106	106	106	100
Montreal Light, Heat Cons.	5	91¼	91	91½	90	91	833
Montreal Telegraph	8	50	....	50	50	50	10
Montreal Tram.	10	164	....	165	154⅞	164	916
National Breweries com.	4	55⅛	55	56½	55	55	1017
Do pref.	7	....	....	90	90	90	50
Ogilvie Flour com.	12	235	232	235	235	235	15
Do pref	7	....	111	112	112	112	20
Ontario Steel Products pref.	7	....	....	80	80	80	2
Ottawa L. H. & Power com.	6	86	85	86½	86	86	182
Pacific Burt pref	7	89½	86	89⅞	89	89	12
Penmans com.	8	107	....	106½	106	106½	35
Do pref.	6	....	87	94	91	91	217
Price Brothers	2	43	42	43½	42½	42½	545
Porto Rico Railways com.	..	27	26	27	25	25	27
Do pref.	7	80	76	76	76	76	10
Provincial Paper pref.	7	87	....	87	87	87	10
Quebec Railway	..	28¼	27½	28	26¼	28	5111
Riordon Pulp com.	..	9½	....	9	8½	8½	170
Do pref.	..	19½	....	19	17½	18⅞	95
Rogers, Wm. pref.	7	88	80	80	80	80	5
Shawinigan	7	107	105½	107	106	107	553
Sherwin Williams pref.	7	....	93¼	94	93½	94	25
Spanish River Pulp com.	7	....	89	90	87¾	89	1812
Do pref	7	....	95½	98	94½	97	4452
Steel of Canada com.	7	71½	71	72	69	71½	1778
Do pref.	7	....	97	97¾	96½	97¾	113
St. Lawrence Flour com.	6	....	80	80¼	80¼	80¼	25
St. Maurice Paper	5	....	84½	85	85	85	70
Toronto Railway	..	66	64¼	66	64	65	723
Tuckett Tobacco com.	4	44	42	43	43	43	105
Do pref.	7	87	....	88	87	87	15
Twin City com.	..	49	48	49¾	48	48⅛	220
Wabasso Cotton	4	70	68½	69½	65	69½	615
Wayagamack Pulp	..	52	51	53	51	51⅛	80
Winnipeg Electric com.	..	42	41	42	40⅛	42	612
Do pref.	7	88½	88	88	81¾	81¾	110
Woods Mfg Co com.	8	....	60	60	60	60	40
Mexican Light com.	..	17	....	17	17	17	75
Canada Landed	10	79	77	77½	77¼	77½	102
Can. Permanent	12	....	178½	179	178½	178½	108
Hamilton Provident	10	....	140	137	137	137	6
National Trust	12	198	197	198½	198	198	15
Toronto General Trusts	12	210	205	210	210	210	3
Toronto Mortgage	10	....	75¼	78	78	78	10
Union Trust	7	....	89	89	89	89	15

Are Your Investment Funds Yielding 7½%?

We invite investors interested in securing a high income yield to investigate the

First Mortgage Bonds of the Canadian Paperboard Company, Limited

The Company, whose business was established over twenty-five years ago, is to-day the largest of its kind in Canada, manufacturing a product that is essential in modern business.

As a result of a careful investigation of the industry, and also of the Company, we unreservedly recommend this issue as a sound investment.

PRICE: 95.50 and Interest, Yielding Over 7½%.

Write for full information.

Canadian Debentures Corporation Limited

Established 1910

36 KING ST. EAST TORONTO

NEW ISSUE

Following our policy of furthering the economic development of the Province of Quebec, we are offering for subscription

$1,250,000

CARON FRÈRES (INC.)

7% First Mortgage Bonds

Dated June 1st, 1922. **Due 1926 to 1934.**

Trustees: General Trust Company of Canada.

Interest payable on the 1st of June and the 1st of December. The Bonds are in denominations of $100, $500 and $1,000. Registration office, General Trust Company of Canada. The initial registration free of charge to the bearer. Payments are made at the Hochelaga Bank, Montreal and Quebec, in Canadian currency. The legality of this issue has been examined and passed on by the Hon. Senator F. L. Beique, C. R., of the firm of Beique & Beique.

The Company reserves the right to redeem these bonds by drawings at due dates of coupons at 102 plus accrued interest.

SECURITY BEHIND THIS ISSUE.

Value of assets hypothecated to the new company, not including goodwill, patents and other similar rights	$2,551,000
Annual revenue of present business and properties	100,500
Estimated profits from the new industry	700,000

The following facts are summarized from a letter of Mr. A. L. Caron the president of the company:

GROWTH OF COMPANY: **This company carries on the business of the firm of Caron Brothers, of Montreal, established in 1901 with a capital of $1,200, which has come to the front rank of the jewellery industry in Canada. It is undertaking the manufacture of a *Light & Power engine* which is destined to revolutionize living conditions in the country.**

ASSETS: **The old firm transfers to the new, free of all encumbrances, the following assets: Stock, $191,867.46; Current Accounts, $47,078.22; Investments, $57,553.65; Furniture, Fittings, Equipment, $36,244.57; Machinery, Tools, $273,281.19; Insurance on the life of the three partners, for the total amount of $91,000; Paid premiums, $37,408.49. Being a total of $643,433.58.**

INVESTMENTS **include the following:—Hochelaga Bank shares, $29,000; Victory Bonds, $5,500; a property on Bleury Street, free of mortgage, valued by the city at $32,500.**

OTHER ASSETS: **A large freehold property, free of mortgage, situated in Mercier Ward, in Montreal, measuring 6 acres in area, of which one-third is rented to an automobile factory for $32,400 a year. The value of the property is $1,000,000 (One Million Dollars).**

ADDITIONAL GUARANTEE: **All the stock of the Caron Real Estate Company, owner of the three following apartment houses:—Halcyon, Pierrefonds and Edgemount, with a revenue of $32,000 for this year. Even reduced by one-quarter, this revenue would still represent interest of 7% on a capital of $350,000.**

These different contributions form a total of nearly $2,000,000. With the available balance of capital from the present issue, the total assets securing the bonds will be $2,551,433.

OBJECT OF THE LOAN: **To procure the necessary funds for the manufacture, on a standard basis, of a *Light and Power engine* and equipment. This engine consists of a two-cylinder motor, double compression, easy and economical to operate, and at the same time, with the assistance of a small electric dynamo and other accessories, furnishes light in the house and outbuildings, pumps water, works the cream separator, etc. Its endurance is remarkable. It has been in operation day and night, without interruption, from the 10th March up to the 9th of May.**

READY MARKET: **On the mere announcement of the proposed new product, a Montreal firm has signed a contract for disposing of 1,000 complete sets a year for Australasia, and also 1,000 for Great Britain, Ireland and India. It is expected the demand will amount to at least 6,000 sets per year.**

PROFITS: **At the actual price of labor and raw materials, the net profits of the new undertaking are estimated at $700,000 a year. The annual revenue available for the service of the present issue will include the following:—Net profits from jewellery, taking the average of the last 17 years, $36,107.60; Rent of one-third of the factory in Mercier Ward, $32,400; Net revenue of the apartment houses, $32,000; Estimated profits of the new enterprise, $700,000; a total of $800,507.60. This is more than nine times the necessary amount to pay the bond interest.**

ADMINISTRATION: **The three Caron Brothers remain in the new enterprise. The success they have obtained in the past is the best guarantee for the future. Two representatives of the firm of Versailles, Vidricaire, Boulais, Limited, will be members of the board of directors until the complete retirement of the bond issue.**

PRICE: Par 100 and accrued interest.

Versailles Vidricaire Boulais Limitée

Versailles Building	Banque Nationale Building	224 Guigues Street
MONTREAL	QUEBEC	OTTAWA
Tel.: MAIN 7080	Tel.: 8620	Tel.: RIDEAU 2321w

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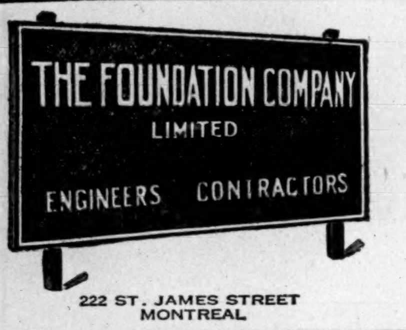
The Wabasso Cotton Company, Limited

THREE RIVERS, P.Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns



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MONTREAL

Hydraulic and Steam Power Developments
Industrial Buildings
Heavy Foundations
Dams and Bridge Piers
Underwater Construction

Dominion Textile Company
LIMITED

Manufacturers of

COTTON FABRIC

MONTREAL TORONTO WINNIPEG

Western Canada Flour Mills Company
Limited

A. KELLY, *President* — J. E. MACFARLANE, *Gen. Mgr.*

Head Office: Toronto

Mills at
Goderich, Winnipeg, Calgary
Brandon, Edmonton, Victoria

Daily Capacity—Flour, 10,000 barrels, Rolled Oats, 1,000 barrels

MANUFACTURERS OF

PURITY FLOUR PURITY OATS

P. Lyall & Sons Construction Company, Limited

Toronto - Montreal - Ottawa

SAVING and INVESTING

We invite you to avail yourself of the complete facilities of our Savings Department. Interest compounded half-yearly and full checking privileges allowed.

One dollar or more will open an account. As your savings increase you may invest in our ordinary or accumulative debentures and secure the attractive rates of interest these high-grade securities yield. For example, $76.24 will buy an Accumulative Debenture for $100 payable at the end of five years, increasing your capital in that period by more than thirty per cent.

Canada Permanent Mortgage Corporation
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We have been giving satisfactory service to savers since 1855

BRITISH EMPIRE STEEL CORP. SHOWS $4,416,000 EARNED

First Financial Statement Covers Period April to Dec., 1921

BALANCE OF $755,000

After Meeting First Preferred Dividends—Working Capital Over $14,000,000—Business Conditions

From Our Own Correspondent.

MONTREAL.—The first financial statement covering the operations of the British Empire Steel Corporation, as received by the shareholders this week, must be considered as an encouraging one in view of the unfavorable conditions under which all similar companies have been forced to operate. The statement covers the period from the formal inauguration on April 16, 1921, to Dec. 31, 1921, or 8½ months. The total earnings were $4,416,000, and out of this were paid sinking fund and depreciation, and interest, leaving a balance of $1,733,591 available for dividends. The preferred dividends—on the first preference series B—called for a sum of $977,663, leaving a balance of $755,926, or about 5 per cent. to carry forward, as no payments were made on the second preferred, or the common stock. The balance of $755,000 would permit of slightly over 2 per cent. as a dividend on the second preferred stock.

Among the favorable features of the report is the reduction in bank loans of $2,541,197, and in other current liabilities of $5,119,948, a total of $7,662,145. During the year funded and other debts were reduced by $404,965 through the operation of the various sinking funds.

The president, Roy M. Wolvin, in his report states that the holders of about 36 per cent. of preferred stocks exchanged their holdings for first preference series "B" stock of British Empire Steel. In the balance sheet of the company there is an item of $6,833,920 of this stock as outstanding, with $57,350,000 of second preference, and $24,450,000 of common stock, a total of $88,633,920. Of this there is held by constituent companies $7,419,925 of second preference and $3,156,600 of common stock, a total of $10,576,525, leaving a British Empire Steel balance of $78,057,395. There is still outstanding of preference stocks of constituent companies, $12,944,700, and $114,300 of Acadia Coal Co. capital stock, making a grand total of $91,116,395.

The balance sheet of the company shows current assets of $23,016,760, and current liabilities of $8,651,900, leaving a balance of working capital of $14,364,860.

Below appear the profit and loss account and working capital items:

Profit and Loss Account

Total earnings	$4,416,451
Sinking fund and depreciation	1,501,178
Balance	$2,915,272
Bond and deb. int.	1,181,681
Net profit	$1,733,591
Pref. dividends paid	718,276
Balance	$1,015,314
Pref. dividends accrued	x259,387
Balance Dec. 31, 1921	$ 755,926

x—Not declared.

Working Capital

Current Assets:		
Inventories	$15,061,416.21	
Trade Accounts	5,637,530.30	
Other Accounts	722,260.84	
War Bonds, etc.	514,880.13	
Cash	1,080,673.43	
		$23,016,760.91
Current Liabilities:		
Bank Loans	$ 4,682,024.16	
Current Accounts	3,471,647.75	
Accrued Interest	498,228.82	
		$ 8,651,900.73

The following are points of interest covered in the president's statement:

Your Directors after careful consideration decided that it would be advisable to adjust the cost of some important items of property and equipment installed by Constituent Companies during the war period, when cost of construction was abnormal. To effect this the sum of $3,339,841.65 has been deducted from Cost of Properties and a corresponding reduction has been made in the amount of the Consolidated Surplus.

The amount at credit of accounts for Renewals, Taxes and Contingencies is $5,274,208.73. Included in this is $2,500,000, part of amount received by Dominion Iron & Steel Company, Limited, as part payment of its claim for damage due to the cancellation of the contract for the supply of ship plates to the Government of Canada.

Business conditions during the period covered by the statements submitted herewith have been for the most part unfavorable. During the months of May to October a considerable tonnage of coal was disposed of in the St. Lawrence market which for some years had been practically closed to coal from Nova Scotia. During the same months the Steel works at Sydney and New Glasgow were moderately employed.

In the last quarter of the year there was a marked decline in the operations of all the companies.

Frankfort on the Main radio says Government and Hamburg-American line are co-operating in formation of German-Russian Transportation Co. in which Harriman interests have participation.

IMPROVING WINDSOR HOTEL

Half a Million Dollars Will be Spent by New Management

From Our Own Correspondent.

MONTREAL.—Extensive improvements in the Windsor Hotel will mark the change in control of the local hostelry. Donat Raymond, who is in charge of this hotel as also of the Queen's, states that about $500,000 will be spent in enlarging the lobby and finishing it entirely in marble, and other improvements made. A contract for $250,000 has already been awarded the P. Lyall & Sons Construction Co., and this firm is likely to be given another contract for a smaller amount shortly. Since the stock control was bought up by the new group some months ago there has been little activity in the shares.

MONARCH KNITTING OMITS ITS BUFFALO PLANT AS ASSET

Wrote Off $500,000 from Surplus to Cover Losses There

From Our Own Correspondent.

MONTREAL.—The Monarch Knitting Co., according to the annual statement just issued, was forced to face its share of reverses in the industrial world during the past year. Not only was there a heavy drop in net operating profits but a subsidiary, the Monarch Knitting Co. of New York, which for a number of years past has been manufacturing sweater coats and other lines like the Canadian parent company, experienced heavy losses as well and it was decided finally to wipe out the $500,000 capital which has stood as an asset of the Monarch Knitting Co. and replace it by a nominal valuation of $1.00. This in turn called for a reduction of the surplus by $499,999. The report states that this company met with losses that "seriously impaired their capital."

Profits $28,000 vs. $183,000

The net profits of the company for the past year amounted to $28,653, which compares with $183,405 for the year 1920. The deductions from this with the amount carried forward were the same as in 1920, except that there were no common dividends paid which amounted to $51,000 two years ago. Then there is deducted the amount referred to before as written off from the Monarch Knitting Co. of New York which reduced the amount to credit of profit and loss account to $483,073, as compared with $1,005,123 at the end of the year 1920.

The balance sheet of the company shows working capital remaining of still somewhat over $590,000 or about $52,000 less than one year ago. The inventories are reduced by about $150,000. On the other hand the bank loans are down $115,000 but bills payable are up about $75,000. Accounts payable are reduced on the other hand over $100,000.

In the report to the shareholders, signed by F. R. Lalor as president and J. A. Burns as general manager, it is stated that $70,000 has been set aside to be added to the plant and machinery depreciation reserve, making the total of this reserve $387,149, which is equal to 30 per cent. of the total value of the company's plant and machinery.

New Offices and Warehouses

It is further stated that to expand still further the merchandising of the company's products they have opened offices and distributing warehouses in Toronto, Montreal and Vancouver, and during the year spent $81,000 "in nationally advertising the merits of our hosiery, yarns and sweaters." The regular dividend of 7 per cent. was continued on the preferred stock during the year but it is stated that "as it is difficult under present business conditions to visualize the future, your directors do not think it advisable to pay a dividend on the common stock."

Improvement in Sales This Year

"The past year has been a difficult one and our plants operated at only 60 per cent. capacity. We are, however, pleased to report that sales for the first quarter of 1922 indicate considerable improvement."

The following is a comparison of the profit and loss account for the past two years and also the working capital account.

Profit and Loss Account

	1921	1920
Net profits	$ 28,653	$ 183,405
Add bal. forward	1,005,123	925,217
Total	$1,035,572	$1,108,623
Less—		
Less dividends pref.	52,500	52,500
Less common div.	....	51,000
Less amt. written off cap. stock Mon. Knitting Co. of New York	499,999	....
Balance P. & L. Surplus	$ 483,073	$1,005,123

Working Capital Account

	1921	1920
Current assets—		
Cash	$ 54,725	$ 82,557
Acc. rec.	361,377	456,174
Inventories	997,794	1,154,026
Unexp. charges	28,792	24,407
	$1,442,690	$1,717,165
	1921	1920
Current liabilities—		
Bank loans	$ 491,000	$ 606,000
Bills payable	223,652	150,783
Acc. payable	136,991	242,334
Int. and disc. accr.	800	1,700
	$ 852,444	$1,074,364
Bal. work. cap.	$ 590,246	$ 742,801

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NEW ISSUE

$340,000

(Being part of a total issue of $600,000)

Hanover Cement & Stone, Ltd.

8% First and Refunding Mortgage Bonds

Dated May 1st, 1922 Due May 1st, 1942

Principal and semi-annual interest payable at any Branch of the Canadian Bank of Commerce in Ontario

Denominations—$100, $500, $1,000

A Sinking Fund of 2½% of the total issue commencing May 1st, 1925, has been provided for, sufficient to retire all Bonds by maturity and will be invested in Bonds of this issue by purchase or drawings at substantial premiums.

These Bonds constitute a first mortgage on all fixed assets of the Company subject to a 7% mortgage of $260,000 on the Quarry properties and Quarry equipment. To retire this mortgage. Bonds to the amount of $260,000 of the total issue of $600,000 are held in trust by the Chartered Trust & Executor Company to retire this mortgage, which will be accomplished by interest and sinking fund payments without the necessity of offering further Bonds to the public.

Bankers: Canadian Bank of Commerce

Trustees for the Bondholders: Chartered Trust & Executor Co.

THE DIRECTORS WILL BE

J. S. KNECHTEL, HANOVER, Vice-President and Managing Director, Knechtel Furniture Company.
J. Y. ORMSBY, TORONTO, Ferguson & Ormsby.
W. K. GEORGE, TORONTO, Director, Abitibi Power & Paper Co. President, Canada Bond Corp. Ltd.
ALEX. LONGWELL, TORONTO, President, Ontario Rock Company, Ltd.
H. GRUETZNER, HANOVER, Formerly President, Hanover Portland Cement Co. Ltd.
D. D. McTAVISH, TORONTO, Late General Manager, Canada Carbide Company, Ltd.

HISTORY AND PURPOSE

The original Company, the Hanover Portland Cement Company, Limited, operated a marl plant from 1901 to 1920. To enable the necessary financing to change from a marl to a limestone process the Hanover Cement & Stone Limited has been organized, and is now operating. The change will permit the manufacture at a much lower cost and will increase the output 300%. The proceeds of this issue are required to purchase quarry properties and additional machinery and provide working capital. The original owners are accepting Preferred and Common Stock only, thus demonstrating their faith in the business.

EARNINGS

The earnings in the original Company were sufficient to pay 7% on its Preferred Stock and an annual average of 4.35% on its Common Stock; the additional earnings were put back into the plant, increasing the cash investment to the present depreciated value by two and one-half times. Basing estimates on actual operations, it is conservatively estimated that the earnings for cement and surplus stone will be at least two and one-half times the interest and sinking fund requirements of the entire Bond issue of $600,000.

ASSETS

The Company owns Plant, Clay Beds and Hydro-Electric Power Plants at Hanover and Quarry Properties and equipment at Wakerton. These have been appraised at a depreciated value of $1,081,532, which with $95,000 current assets over current liabilities amount to practically twice the amount of the Bond issue, exclusive of trade marks, goodwill, etc.

The Quarry and Clay Beds contain an almost unlimited quantity of raw material of unsurpassed quality.

This offering is well secured and unusually safeguarded, and we invite your fullest investigation.

Price: 100 and interest, yielding 8%

CANADA BOND CORPORATION LIMITED

14 King Street East
TORONTO

Toronto Telephone: Main 3305

Branches: Winnipeg, Man. London, Eng.

3

DRASTIC CHANGES IN DIRECTORATE OF "STEAMSHIPS"

Nine of Old Board Replaced By Nine New Members

LOSS ON 50 PER CENT.

"Substantial Benefit" from Only Half the Transactions Noted—President Reviews Various Incidents

From Our Own Correspondent.

MONTREAL.—Sweeping changes in the directorate of Canada Steamship Lines marked the course of the annual meeting held here on Tuesday afternoon, nine new members being chosen to replace nine members on the old board, as follows:

Changes on the Board

Newly Elected	Retiring
W. H. Coverdale, President.	R. M. Wolvin, Vice-President.
Robert Hobson.	F. S. Isard, Mng. Dir.
F. W. Molson.	W. E. Burke.
Senator Smeaton White.	J. P. Steedman.
A. J. Brown, K.C.	J. E. Dalrymple.
Frank Humphrey.	M. J. Haney.
J. H. Fortier.	Hon. E. Bristol.
George Caverhill.	Tancrede Bienvenu
C. E. Taschereau.	Hon. F. Carrel.

Old Members Retained

J. W. Norcross, George Smithers, Senator Casgrain, Horace B. Smith, D. B. Hanna and Dr. W. L. McDougald.

A Quiet Meeting

The announcement that had already been made public as to the drastic reorganization of the Board that was being carried on, and a lengthy review of certain phases of the company's history, by the new president, Mr. Coverdale, forestalled any lively discussions that might proceedings resembled "the quiet after the storm." A chastened feeling pervaded the air. The "Seats of the Mighty" in the main were occupied by "ordinary" shareholders, and the directors to-be, and even the old ones that were to be retained, were content with seats well removed from the front rows.

At that there was an encouraging attendance of shareholders, with a little over 168,000 shares represented at the regular meeting, fairly close to the 164,000 required for the two-thirds of the total. At a special meeting that preceded there were 174,077 votes represented, of which 172,793 were proxies—out of the total preferred and common, of 245,-500.

In his address to the shareholders, Mr. Coverdale explained that he considered a general review of the affairs of the company was necessary at this time.

Poor Credit at Outset

The officers and directors at the time of the inception of the company in 1913 had had to work out a disadvantageous situation due to the financial set-up made at the time of organization, with which very few of the present officials and directors had had anything to do.

That $8,000,000 Item

The situation then was bad, rather than good. There had been a large item set up on the assets side to offset capital liabilities issued at that date. This item amounted to between $8,000,000 and $9,000,000—goodwill contracts, and other intangible assets. The condition of bad credit was the result of the situation created at the time of consolidation.

Troubles Due to the War

The president described the difficult operating conditions that were super-imposed after the war broke out, conditions of lessened revenues and increasing ratio of operating expenses, common to all rail as well as water transportation companies, and few such companies had shown an improvement during the lifetime of Canada Steamship Lines. Being forced to borrow in 1915, many burdensome restrictions were imposed not only for the safety of the interest but the principal. In spite of the discouraging features at the inception and the early years the company had been a substantial earner of money and in the eight years of its life to the end of 1921 $23,026,000 had been earned.

After setting up an adequate depreciation reserve, and paying its preferred and some ordinary dividends, the company had left for corporate purposes other than interest and dividends the sum of $3,744,000, and had put in cash into the treasury as a depreciation reserve for replacing the fleet and property a further sum of $7,454,000, so that it had a cash reserve out of its operations alone of $11,198,000.

Mr. Coverdale continued:

It added to its cash reserves by incurring additional liabilities for the purpose of raising additional funds. It sold certain fixed assets at a large profit, and increased its current liabilities by various ways to a total of $11,828,000, making a total fund available for distribution for various corporate purposes other than interest and dividends, etc., $23,026,000. It was only fair to say they were covering now a period when, owing to the very extraordinary circumstances of the war and more particularly conditions concerning vessels, that a very enhanced opportunity existed during several years for the purchase and sale of capital assets. That was a period that they hoped would not recur. In this period the company purchased certain assets and securities of other companies, some of which had resulted to its great advantage and some of which had resulted to its great loss. It was very easy to judge transactions when they were two or three years old in view of subsequent events. It was somewhat like judging the morality of a past age by the enlightenment of the present age.

The M. T. Co. Purchase

The transactions that had taken place included the following: It purchased the St. Lawrence and Chicago Steam Navigation Co. for $2,002,000, and it had paid for itself in three years after purchasing and had brought in a large net income to the company. In criticising some of the other transactions it might be well to bear this in mind. The Montreal Transportation Company was purchased at a total cost of $3,338,000. That was a reliable company bought at a time when prices had reached about their maximum. It was purchased on a seven per cent. basis and it had paid its own way but no more. After the fullest investigation no adverse comment could be directed against the directors of the company based either on assets or income at the price for which the Montreal Transportation Company was taken over.

Would Not Repeat To-day

Now they came to a transaction which had been much commented on and as to which they could not refer in quite the same terms. The company, through the Tidewater Shipbuilding Co., had an account against the Davie Shipbuilding and Repairing Co. of $622,000. The credit of the Davie Company was not in satisfactory shape and the question arose as to whether or not the C.S.L. Company should write off its loss on the account or send good money after bad and try to pull the chestnuts out of the fire by undertaking to assist the company to a better position. The company decided to purchase a third mortgage to the amount of $2,500,000. The Davie Company had suffered by the drop in prices and business and from that day to this had barely paid expenses.

If the directors had the same to do to-day, doubtless they would refuse to take the same steps. I am convinced it was done for the best.

If the company had to be sold to-day it would mean a loss of $1,250,000. That, however, was not the case unless the property was sold for half of its outstanding mortgage, and that was improbable. The Tidewater Shipbuilding Co. plant had been constructed at Three Rivers and cost $1,548,000, and if sold to-day would not realize that, but there was no thought of selling either of them at this time.

Loss on Ocean Vessels

Eight ocean steamships had been purchased at a cost of $7,898,000, and in the first year made money and the second year lost money, so their operations showed a profit to date, but there was no prospect of it in the present year or in the future. The saddest part was that owing to the redundancy in tonnage there had been such a great fall in price as to make it unwarranted that the values of those ships should be carried at cost in the balance sheet and there had been written off $3,898,000, which, with the Davie Co., probable loss amounted to $5,100,000, which represented 100 per cent. of the opinion of men who had spent 90 days in investigating their value and perhaps represented more, especially as they considered the lake and river tonnage represented $2,-500,000 more than the amount carried in the books at present.

Notwithstanding all the bad features connected with the war and the transportation of goods and passengers during the war, the transportation operations of the company had been conducted on a basis of sane and conservative profit, and the transactions upon which comment and criticism were heard on all sides were transactions undertaken in good faith and in about fifty per cent. of them had resulted in substantial benefit to the company.

Loss of $639,000 in 1921 on Ocean

In answer to a question by a shareholder Mr. Coverdale stated that on the ocean business in 1920 there had been a profit of 729,000, but in 1921 a loss of $639,000, making a net profit taking in the two years of $90,-000, but on the other hand there had been written off the value of the ocean vessels, nearly $4,000,000.

The shareholder went on to point out that the operative ratio in 1921 was 81 per cent. Where in 1919 it had been only 70 per cent. and thought this was rather high. Mr. Coverdale explained that the loss in ocean operations in 1921 had been added to operative costs.

A resolution was passed after the election of directors, declaring that there should be no increase in the indemnities of directors of officers of the company.

The Dividend Question

In answer to a question as to the likelihood of preferred dividends being paid, the president could hold out no definite promise. He thought, however, that within a year the credit of the company would be rehabilitated.

At the special meeting held an hour earlier resolutions were passed of a technical character, rescinding authority for the former issue of 10-year bonds (offered in 1921) and authorizing the new issue.

FINDING A MARKET FOR PAINT IN INDIES

The development of a market in Cuba, Porto Rico and Haiti for Canadian paint is an interesting trade development which has justified the enterprise of Brandram, Henderson, Ltd., in sending a special representative to visit these islands. For the past twenty-four years this company has been shipping white lead, paints and varnishes to the British West Indies and prior to the war did business on a small scale in Cuba. So well impressed was the company with the possibilities of extending business in Cuba that earlier this year a special representative, M. Wineroope, was sent to Cuba, Porto Rico and Haiti. He arrived in Havana in April and since that time has also visited the leading outports, being successful in securing what is regarded by his company as very desirable business.

WABASSO COTTONS EARNED OVER 7 P.C. DURING 9 MONTHS

Special Statement to March 31 Last Shows Encouraging Position

From Our Own Correspondent.

MONTREAL.—The financial statement of the Wabasso Cotton Co. has been issued covering the first nine months of its fiscal year, in connection with the new offering of bonds of $750,000 that is now being made. This report shows a very satisfactory condition with profits running well up to the high mark of the year ending June 30, 1921. For the nine months ending March 31, 1922, after taxes had been deducted, net profits amounted to $319,000 as compared with $435,000 for the previous twelve months. The balance available for dividends was $200,000 as compared with $283,000 for the year, or slightly over $7 a share compared with the dividend of $4 a share that has been paid for the past year and a half. There is a surplus for the nine months of over $95,000. The working capital position of the company at the end of March 31, 1922, showed an increase from $868,000 of last year to $970,000. The current assets of the company has increased from $1,363,-000 to $1,503,000 with current liabilities up from $495,000 to $532,000.

Among the current assets the greater portion consists of very liquid items, for out of the total there was a sum of $715,000 represented by cash on hand, Victory Bonds and call loans which showed an increase during the nine months of similar assets of $135,000.

The profit and loss statement and working capital position of the company for the past two periods is indicated by the following figures:

Profit and Loss Account

	9 mos. end. Mar. 31, 1922	12 mos. end. June 30, 1921
Net after taxes..	$319,237.29	$435,912.83
Deduct:		
Depreciation ..	75,000.00	100,000.00
Interest	43,575.00	52,810.00
Balance	$200,662.29	$283,102.83
Dividends	105,000.00	140,000.00
Surplus	$ 95,662.29	$143,102.83

Making Capital Account

	1922	1921
Current assets ...	$1,503,794	$1,363,541
Current liab.	532,098	495,410
	$ 970,696	$ 868,130

The new financing for the Company which is intended to enable it to build an extension to its cotton plant at Three Rivers that will increase the equipment from 75,000 spindles and 1,500 looms to 100,000 spindles and 2,100 looms, consists of 7 per cent. mortgage and collateral trust 20-year sinking fund gold bonds. These bonds are subject only to $871,500 of the issue of 6 per cent. first mortgage bonds, and in addition are secured by a pledge of $944,600 of St. Maurice Valley Cotton Mills, and by first pledge of $1,250,000 par value of the entire stock of the same company. The St. Maurice mills were purchased by the Wabasso Company in 1912. The value of the plant and property of the two mills is given at $6,333,000 with a total issue of bonds of the two companies of $3,036,-000.

The company's business has grown steadily year by year. In 1909 its sales amounted to $300,000 and these increased twelve times to $2,750,000 in 1921. From the standpoint of production the output in 1909 was 3,972,-000 yards and that of 1921, 11,274,000 in addition to which 750,000 lbs. of cotton yarns were manufactured. The average annual net earnings after depreciation and taxes and sinking fund charges, etc., for the four years from 1918 to 1921, amounted to $385,734 while the average bond interest paid during these years was only $53,710.

The cotton yarns are manufactured by the Shawinigan Cotton Co., which is controlled also by Wabasso, and manufactures these yarns at Shawinigan Falls. The Company proposes to erect a new building early in 1923 and to complete it by the end of the year. The output of all these mills will be, as now, fine cottons including lawns, muslins, nainsooks, shirtings, pillow cottons, corset cloth, etc.

New Issue

$750,000

The Wabasso Cotton Company, Limited

7% Mortgage and Collateral Trust 20-Year Sinking Fund Gold Bonds

Dated May 1st, 1922. Due May 1st, 1942. Callable as a whole or in part on and after May 1st, 1927, on any interest date on three months' notice, at 110 and interest. Coupon Bonds in denominations of $1,000 and $500, with privilege of registration as to principal only. Interest payable May 1st and November 1st. Principal and Interest payable in Canadian gold coin at the office of the Montreal Trust Company, Montreal. Montreal Trust Company—Trustee.

CAPITALIZATION

	Authorized	Outstanding
Common Shares (no par value; paying $4 per share annual dividend)	35,000 shares	35,000 shares
6% First Mortgage Sinking Fund Bonds	Closed	$871,500
7% Mortgage and Collateral Trust Bonds (this issue)	Closed	$750,000

Complete circular, copies of which will be furnished on request, contains a letter from the President of the Company, from which we summarize as follows—

The Wabasso Cotton Company, Limited, was incorporated in 1907. Subsequently it acquired all the issued Capital Stock of the St. Maurice Valley Cotton Mills, Limited, and $945,050 par value of $1,000,000 issued Capital Stock of The Shawinigan Cotton Company, Limited. These Companies are among the largest manufacturers in Canada of fine white cotton piece goods, yarns, sheetings, muslins, etc.

Bonds are secured by specific mortgage on all fixed assets, and by floating charge on all other assets now owned or hereafter acquired, subject only to $871,500 of 6% First Mortgage Bonds, in regard to which Sinking Fund of $10,000 per annum is operating for redemption at not exceeding 105 and interest. They are further secured by first pledge of $944,600 of 6% First Mortgage Bonds of St. Maurice Valley Cotton Mills, Limited, and by first pledge of $1,250,000 par value, being all outstanding shares of St. Maurice Valley Cotton Mills, Limited. Sinking Fund of 2%, sufficient to retire $521,667 Mortgage and Collateral Trust Bonds at 110 by maturity.

Wabasso and St. Maurice Companies operate two cotton mills at Three Rivers, Que., having installed 75,000 spindles and 1,500 looms. Proceeds of new issue will be used, in part, for a new mill for Wabasso with equipment of 25,000 spindles and 600 looms.

Growth of business is indicated by increase in sales from $300,000 in 1909 to $3,750,000 in 1921, and increase in production from 3,972,000 yards in 1909 to 11,274,000 yards, plus 750,000 lbs. cotton yarn, in 1921.

Property values (depreciated), including cost of new plant as compared with Bonds outstanding (including this issue) against respective mill properties, are summarized below:

Mill	Value	Bonds Outstanding in Hands of Public	Pledged as Security for this Bond Issue
Wabasso	$3,862,301.66	$1,621,500	
St. Maurice	2,471,575.21	1,415,200	$944,600
Totals	$6,333,876.87	$3,036,700	$944,600

Net Liquid Assets as certified by Riddell, Stead, Graham & Hutchison, without including proceeds of this issue, as at March 31st, 1922, amounted to $971,696.28.

Average annual Net Earnings, as certified by Riddell, Stead, Graham & Hutchison, after Depreciation and Taxes, for four years, 1918-1921 inclusive, amounted to $385,734.28, as against average Bond interest paid during those years of $53,710.

Net Earnings, after Depreciation and Taxes, for nine months ended March 31st, 1922, were $244,237.29, as against $43,575 Bond Interest paid during that period. Net Earnings for these nine months were at the rate of $325,649 per annum, or nearly three and one-half times interest charges on Bonds now outstanding, including new issue.

We offer these Bonds, if, as and when issued and received by us, at:

100 and accrued interest, to yield 7%

ROYAL SECURITIES CORPORATION

LIMITED

Head Office: 164 St. James Street, Montreal

TORONTO	HALIFAX	ST. JOHN	WINNIPEG
58 King Street West	Royal Bank Building	54 Prince William Street	Electric Ry. Chambers

VANCOUVER	NEW YORK	LONDON, ENG.
Pacific Building	165 Broadway	7 Gracechurch St., E.C. 3

The statements contained herein are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

MONEY, BANKING AND EXCHANGE

MAY ALTER THE PRESENT CHARGE AGAINST MACAROW

The Week's Developments in the Merchants Bank Case

From Our Own Correspondent.

MONTREAL. — The preliminary trial of D. C. Macarow, formerly general manager of the Merchants Bank, now awaits the decision of Judge Cusson as to whether there shall be a committal to trial or an acquittal on the charge of having "wilfully" sent in a false return to the government, while the trial of the president, Sir Montagu Allan, on a charge of "negligence" in signing false returns will await its beginning until after the Judge renders his decision in the case of Mr. Cacarow.

Long legal arguments—two on each side—featured the summing up process after the evidence had been submitted. The argument of Crown Counsel contained a suggestion that if there were not sufficient evidence of "wilful" conduct on Mr. Macarow's part, there was at least of "negligence," and this admission, or suggestion is deemed in some banking circles to hint at a possibility of the original charge being modified. It is pointed out in support of this that there have been no indications in the whole of this bank incident of any defalcation that has accompanied some other bank disasters.

The main argument of N. K. Laflamme, K.C., as counsel for Mr. Macarow, was that it was a physical impossibility on the part of the general manager to check the returns of 350 different branches in time to cover the report of October last, and that the evidence supported the contention that the report was in fact made in accordance with the provisions of the Bank Act.

Mr. Laflamme rather criticized the Finance Dept. at Ottawa for waiting several months before making any move.

Never Made One Move

"But on the 16th of December, that's a notorious fact, the president of the bank announced in public that the rest fund which, by this return of October was $9,450,000, had disappeared as a consequence of an investigation made by Mr. Mackenzie to the extent of $8,000,000. That was public property. The department never made one move.

"The Minister could have, under these conditions, under section 113, called for a special return in view of the announcement made. I am quoting the section:—'The Minister may also call for special returns from any bank whenever, in his judgment, they are necessary to afford a full and complete knowledge of its condition.' That special return was never requested and no complaint was ever made such as the one now pending before you.

"But there is more. It's also known that on the 8th day of February the directors ratified a merger of this bank with another, and that the report referred to in this evidence was read by Mr. Mackenzie and the conclusion that he came to was that the rest fund should be written down from $9,450,000 to $1,500,000.

"There again the department made no move, although the merger, having been ratified, the ratification assumed that the Mackenzie report was correct, and if the Mackenzie report was correct the October report of the bank was incorrect.

King Pin of Prosecution

"A third observation—a complaint is laid on the 24th of March by R. B. Viets. He states that 'he is credibly informed and has reasons to believe that . . .'

"When that complaint was laid, we know that the department had not one iota of evidence to support the complaint. The complaint was laid for reasons other than reasons attaching to the report itself—I quite admit reasons of public interest—but I repeat reasons which were not founded upon any examination or study by the department of the October return. It is manifest, Mr. Edwards is the only witness called by the prosecution to show that this return of October contains false and deceptive statements. When did he get his instructions? Before the proceedings were instituted? He got them on the very day that the complaint was lodged here by Viets.

"What did Edwards know at the time about the merits of the October return? Not a single thing.

"That is shown by the fact that communicating with Mr. Wilson for instructions he proceeded, as I stated, to test the October return, and it took him from the 25th of March, assisted by his son and Mr. Gladwell, two chartered accountants, a period of six long weeks to do it.

"We are dealing here, after all, with the evidence of Edwards. He is the king pin of this prosecution, and he is an expert. While admitting that Mr. Edwards is a very high class accountant and a man whose motives are above all reproach, I put this question: 'Under the conditions under which he was appointed, knowing that the complaint was made by the Department of Finance, being appointed by the Minister himself, and having taken no instructions except from Mr. Wilson, do you believe that he entered the field of investigation for the purpose of showing that the return was true or untrue?' I don't answer that question because I think it is sufficient to put it to read the answer on the wall.

"He started with an honest purpose, but with essentially a critical mind, and his examination gives evidence of it."

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter for the first week of May amounted to $7,944 tons, while from January 1, to May 7, the receipts totalled 155,558 tons.

DULUTH-SUPERIOR

Passenger earnings of the Duluth-Superior Traction Company for the first week of May amounted to $32,008, a decrease of $1,714, or 5.1 per cent. as compared with the figures for the corresponding period in 1921.

NEW LETTERS OF CREDIT

Commercial Credit Conference Agreed Upon Changes

A uniform set of letters of credit instruments, with regulations defining their use and the legal interpretation to be placed upon their various provisions, has been devised and agreed upon by the American Bankers' Commercial Credit Conference.

The old forms of letters of credit are to be discarded because of their utter lack of uniformity as between banks and of proper definition of the rights and liabilities of the parties to the credit arrangements. They have been the source of no end of controversy and litigation during the past two years, when the world-wide drop in prices and foreign exchanges led to wholesale cancellations of orders and deranged international commerce.

DISCOUNT RATE ON CANADIAN DOLLAR REACHES NEW LOW

No Definite Reason Advanced for Present Weakness, Sterling Still Steady

Canadian funds again weakened during the week and a new low of 15-16 per cent. was touched. There are no definite reasons advanced for this sudden dip in rates and it is doubtful if the improvement in Canada's industrial and trade position has progressed to the extent indicated by the course of New York funds.

The sudden dipping of the rate to 15-16 per cent. after hovering around 1½ per cent. for the past two or three weeks, has caused considerable discussion in bond circles. It will be remembered that several weeks ago when the finance minister went into the New York market for his $100,000,000 loan, the rate dipped sharply to about 1 per cent. This latest weakness is said to have originated in Montreal, on the rumor that the minister was again going into the American market for another loan of considerable proportions. Of course there have been large grain transfers but this would not have the necesasry amount of influence on the market. Sentiment between the two countries counts for a great deal. Looking at the situation from the economic standpoint, a prominent banker argues that there is no reason why the rate should remain below 3 or 4 per cent. He pointed out that at the present time the Canadian government, provincial, municipal, and industrial bonds held in the United States are in excess of $670,000,000 and would probably reach the billion mark before the year was out.

In discussing the present strength of sterling, bankers state that there are just as many constructive forces, as there are destructive forces at work. One theory put forward is that powerful London interests are supporting the market in New York by buying large amounts of sterling there, in exchange for short term bills; this has happened before. Then again the trade balance is more favorable to England when the invisible items are considered. Exports and imports with the United States are about equal at the present time. However, it is not expected that this condition will last long, as England will be forced to buy her cotton on the American market in the early fall.

NEW YORK FUNDS

May 11.—Funds opened at 1 5-16, reacted to 19-16.

May 12.—High point for day at 1 5-16, closing at 1 5-32.

May 13.—New low reached at 15-16, closed at 11-16.

May 15.—Ranged from a low of 1 per cent to closing rate of 1 1-16.

May 16.—Reactionary tone to market, closed at 31-32.

May 17—Opening quotation of 15-16, the high for the day, closed at 29-32.

STERLING AND FRANCS

	Dem.	Cables	Dem.	Cables
May 11	$4.44½	4.45¼	10.93	10.95
May 12	4.44¼	4.45	10.95	10.97
May 13	4.44½	4.45¼	.....	.....
May 15	4.44¾	4.45½	10.94	10.96
May 16	4.44¾	4.45½	10.94	10.96
May 17 ..	$4.44¾	$4.45½	10.98	11.00

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	May 11, 1922		Change	%
Montreal	$127,743,905	+	$2,967,352	2.3
Toronto	101,987,314	—	3,592,463	3.4
Ottawa	13,766,948	+	1,433,007	11.6
Hamilton	5,918,299	—	276,011	4.4
Quebec	5,433,256	—	2,122,250	28.0
Windsor	3,650,003	+	198,140	5.7
Halifax	3,339,195	—	378,103	10.1
London	3,097,355	—	509,576	14.1
St. John	2,804,597	—	338,433	10.7
Moncton	1,407,609	+	258,008	22.4
Kitchener	1,231,400	—	49,633	3.8
Sherbrooke	1,134,673	—	760,215	40.1
Brantford	1,085,242	—	323,627	22.9
Peterboro'	861,006	—	286,105	24.9
Kingston	786,149	—	251,372	24.2
Total East	$274,246,951	—	$4,031,281	1.4

WESTERN CITIES

	May 11, 1922		Change	%
Winnipeg	$444,381,139	—	$1,804,530	3.9
Vancouver	13,912,086	—	1,449,547	9.4
Calgary	,682,601	—	2,202,207	31.9
Edmonton	4,485,036	+	42,178	.9
Regina	3,088,465	—	328,032	9.6
Victoria	2,256,526	—	189,588	7.7
Saskatoon	1,750,104	+	57,615	3.4
Moose Jaw	1,048,995	—	268,314	20.3
Ft. William	683,371	—	98,636	1.2
N. Westminster	536,672	—	88,492	14.1
Brandon	522,952	—	141,084	21.2
Lethbridge	472,461	—	147,636	23.8
Med. Hat	330,528	—	53,637	13.9
Pr. Albert	322,825	—	11,207	3.3
Total West	$ 78,473,761	—	$6,683,117	7.8
Gd. total	$352,720,712	—	$10,714,398	2.9
Yr. to date	$4,459,821,879	—	$430,726,558	8.8

STERLING BANK ABLE TO SHOW HIGHER PROFITS

Very Satisfactory Statement Presented to the Shareholders

That despite the industrial and commercial depression the Sterling Bank was able to report a substantial increase in net profits for the year ending April 30, was undoubtedly welcome news to the shareholders of that institution. The net figures stood at $260,694 as compared with $255,796 in the previous year and $251,347 for the year ending in 1920. In addition to the payment of the usual dividends and taxes the very substantial sum of $130,000 was added to contingent fund. Following are figures showing the distribution of the available profits:

	1922	1921	1920
Bal. forward	$37,565	$42,943	$40,909
Net profits	260,694	255,976	251,347
	298,259	298,919	292,256
Dividends	98,618	98,418	85,884
Reserve	......	50,000	50,000
Taxes	31,606	29,935	23,429
Contingent	130,000	83,000	70,000
Balance	38,035	37,564	42,943

The bank was evidently able to make such a splendid showing because, despite the industrial and commercial depression, current loans were not only maintained but showed an increase, standing at $7,053,386 as compared with $6,754,095 in the previous annual report. At the same time the bank was able to improve its liquid position by adding to the immediately available liquid assets to the extent of over $1,000,000, thereby increasing the ratio of such assets to the total and to the liabilities to the public. This was largely the result of investments in government securities. Holdings of public securities were very considerably reduced. Savings deposits showed some decline but this was more than made up by the increase in demand deposits. Circulation was reduced by $88,000. Following are comparative figures from the balance sheet:

	1922	1921		Change
Immediately Available Liquid Assets				
Specie	$ 75,214	$ 115,664	—$	40,450
Dom. Notes	2,089,364	2,114,062	—	24,698
Nt. cir. dep.	66,000	65,000	+	1,000
Nts. bank	175,509	145,033	+	30,476
Bank bal.	5,000	6,564	—	1,564
Do., ab'd	327,667	328,959	—	1,292
Gov. secs.	10,413,247	9,197,940	+	1,215,307
Cheques	764,465	742,538	+	21,927
	$13,916,466	$12,715,760	+$	1,200,706
% total asset	59.4	53.8	+	5.6
% total liab. To Pub.	64.4	58.3	+	6.1
Other Assets				
Pub. sec.	$ 1,384,993	$ 2,766,065	—$	1,381,072
Other Sec.	303,423	337,174	—	33,751
Call loans	55,566	123,270	—	67,704
Current	7,053,386	6,754,095	+	299,291
Over debts	19,860	8,669	+	11,191
Lets of cr.	15,447	3,200	+	12,247
Premises	575,108	525,025	+	50,083
Oth. assets	117,244	388.136	—	270,892
Mortgages	2,733	2,750	—	17
	$ 9,527,760	$10,908,384	—$	1,380,624
Total asset	$23,444,226	$23,624,144	—$	179,918
Liabilities to Public				
Cir'l'tion	$ 1,121,529	$ 1,210,409	—$	88,880
Dem. dep.	3,822,408	3,643,856	+	178,552
Savings	13,530,689	13,588,756	—	58,067
Due banks	157,211	280,095	—	122,884
Acceptances	15,447	3,200	+	12,247
Due Do. Gt.	3,000,000	3,100,000	—	100,000
	$21,647,284	$21,826,316	—$	179,032
To Shareholders				
Capital	$ 1,232,900	$ 1,232,200	+$	700
Reserve	500,000	500,000		
Dividends	26,007	28,064	—	2,057
Balance	38,035	37,564	+	471
	$ 1,796,942	$ 1,797,828	—$	856
Total liab.	$23,444,226	$23,624,144	—$	179,918

RAILWAYS WERE UNDERMINED BY THE POLITICIANS

(Continued from page 1)

Canadian Northern, the whole Grand Trunk Pacific system fell under its own weight before it had got fairly started. And it has continued to absorb public money in tens of millions ever since.

Political Jobbery

The political jobbery in Canadian Northern and Grand Trunk Pacific branch line building in the west would make a weird tale. Some day it may be told. There can be no doubt that a comparatively small proportion of the mileage gave useful transportation service to districts not reached by the main line, or chief branch lines of the Canadian Northern and Grand Trunk Pacific; but the truth remains, that for thousands of other miles not a foot of them ever earned operating expenses or paid a penny of fixed charges. That was inevitable in the case of mileage that had more to do with winning elections than meeting actual transportation needs. But it was public money, and who cared?

The loose system under which all this was done would have been utterly impossible under corporate control. As it was, there was not a semblance of a plan. Government exercised no supervision over construction.

It Was Public Ownership

Yet there appear to be men, who in their own affairs would show sound judgment, who talk about the mess into which we have got as being the result of corporate failure. Then they ought to be able to find a parallel for Canadian Northern and Grand Trunk Pacific financing in the life history of some other large corporation on earth. They cannot. What happened in the case of these two railway systems is precisely what happened in the demonstration of public ownership made by the United States Air Board and the United States Shipping Board during the war. The Air Board spent over a billion without getting a single airplane into France, and the Shipping Board got away with three billions and a half for actual assets of less than $400,000,000. The American Government scrapped the Air Board and is trying very hard to scrap the Shipping Board; but Canada has her public railways to remind her for many a long year to come of her folly and lack of foresight. No one, however, should refer to this evil legacy as the outcome of corporate ownership. It was public ownership, pure and simple, under a false label.

WE INVITE CAREFUL READING OF THIS MESSAGE

Canada today manufactures practically no alloy steel.
What this means can be better appreciated when we tell you that from the most expensive to the cheapest automobile, from the smallest tool in the workman's hands to the most intricate piece of machinery or farm implement its use is imperative. Where ever unusual stress or strain, wear or tear is anticipated, alloy steels are an absolute necessity.
The Dominion Alloy Steel Corporation, Limited, will erect at Sarnia a modern electric alloy steel plant, having a capacity of approximately 100,000 tons per year, or less than the amount at present imported, and which amount is constantly on the increase.
This company will have at its head men who have spent a lifetime perfecting and successfully producing alloy steel. The Board of Directors is composed of some of the most prominent and outstanding men. The company will have the advantage of low freight rates for coal, ore and scrap, and ample power at rates 50% below the lowest cost to the successful United States Alloy Steel manufacturers.
An attractive investment opportunity is afforded through the

8% Cumulative Preferred Shares

The consistent dividend record and profits paid by similar companies in the United States, along with the fact that this company will have no period of experimental work, but will operate on plans and patents proven by the most successful alloy steel manufacturers in the United States causes us to strongly recommend these preferred shares as an outstanding industrial investment.

Directors:

HARRY ROSS JONES (Chairman of the Board), Canton, Ohio; Director and formerly President United Alloy Steel Corporation, Canton, Ohio.
GEORGE A. SIMPSON (Vice-President), Hamilton, Ontario; formerly Sales Manager and Special Representative of the Steel Company of Canada, Limited, Hamilton.
C. HAROLD WILLS, Marysville, Michigan, President C. H. Wills Motor Co., Marysville, Michigan; formerly Chief Engineer Ford Motor Company.
WILLIAM B. BOYD, M.I.E.E. (President), Toronto, Ontario; formerly Electrical Engineer Illinois Steel Company, Chicago; formerly Chief Electrical Engineer Dominion Iron & Steel Company, Sydney, N.S.; Chief Consulting Engineer to many large Canadian industries.
W. WALLACE JONES, Toronto, Ontario; President, Ontario Steel Products Co., Limited.
BERT H. McCREATH (Vice-President), Toronto, Ontario; formerly Assistant Manager Toronto Daily Star; Managing Director Dominion Bond & Debenture Corporation, Limited, Toronto, Ontario.
COLONEL WILLIAM McBAIN, Toronto, Ontario; President Windsor Securities Corporation; President William McBain & Co., Limited.
W. A. BLACK, Montreal, Quebec, Vice-President Molsons Bank; Vice-President and Managing Director Ogilvie Flour Mills Co., Limited.
SIR WILLIAM MACKENZIE, Toronto, Ontario; President Toronto Railway Company; Director British Empire Steel Corporation; Director Canadian General Electric Co., Limited.
J. J. MAHON, Newark, N.J.; Consulting Steel Metallurgist; formerly Chief Engineer of the Crucible Steel Company of America.

Price: $100 per share, carrying a 40% bonus of Common Stock

A partial Payment Plan will be submitted to you on request.
Write today for a descriptive circular.
Orders may be telephoned or telegraphed at our expense, or through your own broker.

DOMINION BOND & DEBENTURE CORPORATION
Limited
INVESTMENT BANKERS
ROYAL BANK BLDG. TORONTO

McLaughlin

Built for Rugged Service in Canada

Canada's Standard Cars are built strong enough to withstand the more strenuous tests of Canadian highways and by-ways.

Because of this fact McLaughlin-Buicks stand up better, and after years of service command a proportionately higher re-sale value than any other make of car.

McLaughlin-Buick Cars are built—not merely assembled—in Canada.

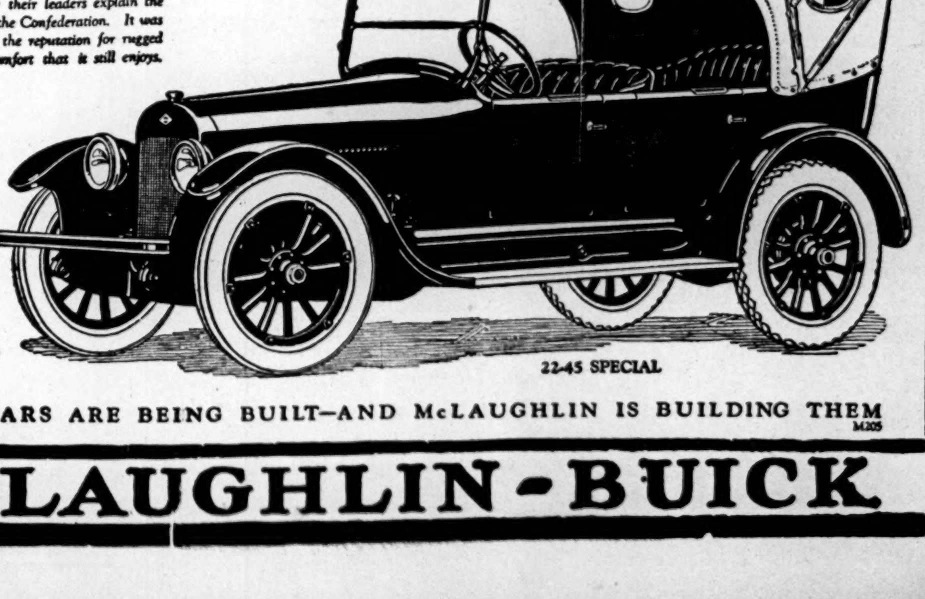
Ask about the G. M. A. C. purchase plan which provides for deferred payments.

McLAUGHLIN MOTOR CAR CO. Limited
Subsidiary of General Motors of Canada, Limited
OSHAWA, ONT.

BRANCHES IN LEADING CITIES
DEALERS EVERYWHERE

They Came in McLaughlins

Axle deep in mud, Canada's early pioneers drove many a mile to hear their leaders explain the momentous problem of the Confederation. It was then McLaughlin won the reputation for rugged strength and riding comfort that it still enjoys.



22-45 SPECIAL

BETTER CARS ARE BEING BUILT—AND McLAUGHLIN IS BUILDING THEM

McLAUGHLIN-BUICK

NEWS AND VIEWS FOR MANAGERS

TRADE BALANCES ARE SETTLED BY CREDIT NOT GOLD

Popular Misconceptions as to Significance of National Loans

By A. B. BARKER,
Manager, Toronto, Clearing House.

In the American papers the question of foreign loans is being widely discussed and the general idea seems to be that when such loans are made American money goes to the borrowing country and also that the loan would be made by the United States. Occasionally it is explained that the loans are to be spent in the United States but to many this is simply another way of saying that unless this proviso is put in the money might be spent elsewhere. Just how these curious misconceptions became prevalent is hard to say. Some years ago a famous politician in that country urging some shipping legislation made the following absurd statement, "We pay $110,000,000 per annum for the carrying of products between this and foreign countries. Think of it. One hundred and ten million dollars in gold coin has given all of the commerce of this country into the commerce of other countries! Can New York stand this drain?" And he was cheered to the echo. He knew it was bunk, but then he was making a political speech. and at such times anything goes, as no one expects economic truths in a party fight. We have had similar experiences in Canada, the last federal campaign being a fair illustration.

Individuals and Nations

Trade between countries is always between individuals, and consists in the exchange of goods for other goods or services. When there is a balance either way it must be theoretically settled in gold. As a matter of fac it is never settled this way if there is any other method available, and the sale of securities is usually resorted to instead. Gold shipments, however, have been so much written about that they have acquired an importance to the public to which they are not entitled. In popular estimation they are commonly understood to be responsible for the fluctuations in exchange, but they are the effect, not the cause, of these fluctuations, and are in reality the sign of interrupted trade in normal things.

One point not generally appreciated is that the money, i. e. currency, of our country has no status in another. Gold has, of course, but it passes by weight. All that the coinage law of a country declares is that a certain coin shall contain a certain weight of metal of a certain degree of fineness. What is generally used for money is a promise to pay money and this passes current because people believe that it will be redeemed on demand, and because it will be accepted in exchange for goods or services in the ordinary course of trade. American currency is accepted in Canada simply because people believe that it can be exchanged for goods and services in the country of issue and it must go there for redemption.

If a foreign loan were made in the United States it would be in the form of debentures which American investors would purchase, paying therefor American money. This money would not go abroad, as to redeem it the currency would have to be sent back, and there all that could be done with it would be to exchange it for goods or services so that the proceeds of the loan go to the borrowed country in the shape of goods or services, whether these have already been supplied and are represented by a debt owing, or whether the proceeds have yet to be expended.

Place of Investors

Further, such a loan would not be made by the United States as such, but by private investors, those who purchased the debentures, nor would it be made to the Government of the borrowing country in most cases but to individuals or business organizations.

However, there is more than a suspicion that most of the outcry in this connection is more or less propaganda, designed to influence the price at which these advances will eventually be made. The American business man or investor is a keen bargainer, and when after investigation he thinks there is a chance of a profit his money will be forthcoming, and the proceeds will find their way to the foreign borrower, as they always have, in the shape of goods, and payment will be made, as it always has, in the form of goods through the usual channels of trade.

There is also another point about trade which must not be forgotten and that is that trade implies a mutual agreement, both sides must be satisfied before a trade can be completed, there must be a profit to both buyer and seller. No man or group of men can sell unless he or they are prepared to buy.

INTERNATIONAL PETROLEUM

Satisfactory Arrangements Completed with Peruvian Government

International Petroleum, a subsidiary of Imperial Oil Company, has claimed the attention of the market observers during the past few weeks. Speaking to THE FINANCIAL POST a prominent official of the company stated that satisfactory arrangements had been completed in Peru. The arbitral award made public recently, whereby the title to Peruvian oil lands, estimated at from 500 to 600 square miles in extent, was arranged to the mutual benefit of the Peruvian government and the company, is regarded as the prime factor in bringing this stock into favor. The award did more, however, than merely effect a settlement of title difficulties. It resulted in establishing a fixed rate of mining tax for 50 years and secured an agreement to enact legislation fixing the export duty for 20 years.

BANK CLEARINGS ARE NOT RELIABLE GUIDE

A Movement in the United States to Have Them Discontinued

From the Journal of the Canadian Banker's Association.

A movement is spreading rapidly in the United States to do away with the publication of bank clearing returns. The Clearing House Section of the American Bankers' Association, by adopting, last October, a resolution urging the publication of individual debits instead of clearing figures, has greatly stimulated the movement.

The ostensible ground for the change is that bank clearings do not give an exact and comparable index of business activity. It is quite clear that bank debits afford a truer index; a great proportion of cheques never pass through the clearing house and this proportion is not uniform, being greater in communities with a branch banking system or a consolidation of banks or the preponderance of one or two institutions.

Another reason given for the change is the unwillingness of certain cities, particularly in the middle west, where the movement began, to acknowledge the falling off in business which a comparison of past and present clearings would make evident.

The returns of bank debits should be of value, but they are already being collected for the larger cities by the Federal Reserve Board. Statistics of bank clearings have been one of the fundamental guides to the analysis of business conditions for over half a century, and it is obvious that they should not be brought to a sudden end unless a very strong case is made out. It apears to be the opinion of a large number of United States bankers that no case has been established, but already St Louis (Mo.), Pittsburg, Scranton, Spokane, Tacoma, Toledo, Dayton, Providence, Holyoke and a large number of smaller centres have ceased to publish clearings. The contagion has not as yet spread to Canada.

ONLY TWO BRANCHES OPENED IN APRIL

Twenty-six Bank Branches Closed During the Month

Returns from the various Canadian chartered banks for the month of April show that there were only two new branches opened, and for the same period twenty-six branches were closed. The Dominion and Provincial opened a branch each. The Union and Hochelaga closed six branches each, Royal four, Commerce and Provincial three each, Standard two, and Imperial and Montreal one each. Following is a list of the branches opened and closed during the month:

OPENED

Dominion.—Toronto, Corner Dundas Street W. and Runnymede Road.

Provincial.—Verdun, Quebec, corner Ethel and Church Stretes.

CLOSED

Commerce. — Morse, Sask.; High Prairie, Alta.; Cobble Hill, B.C., (sub-agency.)

Hochelaga.—St. Malachie, Que.; Cadillac, Sask.; Dufrost, Man.; Niverville, Man.; Villeneuve, Alta.; St. Vincent. Alta.

Imperial—Edmonton. 124th Street.

Montreal.—Summerland, B. C.,

Provincial.—St. Claire, Que.; Grand Chicot, Que.; Matapedia, Que.

Royal.—Portreeve, Sask.; Sturgeon Creek, Man.; Limonar, Cuba; Manguito, Cuba.

Standard.— Paincourt, Ont.; Plumbridge, Sask.

Union.—Drake, Herbert, Hughton, La Porte, Man.; Netherhill, Sask.

During the four months ending with April the banks opened twenty-three new branches, while the number of branches closed totalled sixty-four.

DOMINION

R. Y. Eaton, president of the T. Eaton Co., has been elected a director of the Dominion Bank, to succeed the late Sir John C. Eaton.

THE BANKS WANT COMMUNITY TO BE PROSPEROUS

Hard to Understand the Animosity of the Public

By GEORGE S. MUMFORD,
Commonwealth Trust Company, Boston.

With a certain class of politicians and newspaper writers it seems to be held to be a popular move to refer to the banks as a class of tyrants depriving the public of their rights from self-interested motives. They tell us that the Federal Reserve banks withhold credit when it is most needed; again, that they show favoritism in the making of loans through rediscounts, especially to "Wall Street;" that they were responsible for the late depression and are unfriendly to farmers. When it is explained that their policies are governed by a Reserve Board under the President's appointment sitting in Washington and are strictly in accordance with the Federal statutes, ther follows a flood of bills in Congress to change both the make-up of the board and the character of the service the system was designed to perform.

Complaints of Disgruntled Congressmen

For the congressmen to use the Federal Reserve organization as a resource out of which to create political issues is unfortunate and extremely dangerous. Nothing but harm can come of it. In the early days of our national life the Bank of the United States under Federal Charter although probably the most important constructive agent in the development of our country, was made a political issue, its very existence was condemned by politicians, and when business men defended it, these same politicians called attention to such defence as evidence that the bank was "in politics" and was using political means to prolong its existence.

The unpopularity of the old Bank of the United States and of any other bank began and still invariably begins with the class in the community who are unsuccessful in their attempts to borrow money there. It is their votes in the first instance that politicians who bring in most of these bills are seeking. It is conceivable that such tactics if continued long enough may succeed in making our Federal Reserve System unpopular, just as the old Bank of the United States was made unpopular a century ago.

The Community and the Banks

It is hard to see how any reasonable man can ascribe sinister motives resulting in a course of behavior hostile to the community to the acts of the managers of any solvent, honestly run bank. Its very existence depends upon the goodwill and prosperity of the community in which it is located. To be sure, it encourages all it can the increase of deposits, for on them alone depends its ability to make loans. The larger its deposits, the more money it has to lend. All this loose talk about the "money power," the conspiracy of the banks against the people, the withholding of the people's money by the banks, is so obviously intended to mislead, and would be so much opposed to the self-interest of the banks themselves that even the most ignorant and prejudiced cannot but prceive it. A bank's success is popularly measured by the size and growth of its deposits, and while the officers, employees and stockholders benefit to a moderate degree by this in the shape perhaps of increased salaries and dividends, the community by long odds benefits most. More money becomes available to assist industries, to build new buildings and houses, to loan to the municipality and generally to build up the district.

For some reason this seems to be better understood in other countries, such as France, England, or Canada, than it is here.

The organization of our Federal Reserve System was a patriotic act, which was designed to and which actually did benefit the whole country without conferring special favors upon one single individual or group. It has been conducted impartially by patriotic men solely with a view to the good of the whole community, and yet there are signs that it can be made to suffer, and with it the whole country because of the unreasonable unpopularity of banks in general, and that it can thus become available as a political issue for unscrupulous politicians.

The system was chartered for twenty years and it is conceivable in the light of past history that before that time expires the question of continuing its existence may actually become a matter of debate.

The American Smelting & Refining Co. lost its appeal from a decision of the Court of Claims involving a claim for $512,515, being the price of 20,500,620 pounds of copper at 26 cents per pound less payments received at 23½c a pound.

Mercury Mills, Limited

Twenty-Year 6½% First Mortgage Sinking Fund Bonds

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Last year, though published under strike conditions, over 3,000 additional copies of this number were bought—a paid circulation of some 12,000 in all. Already we have large orders for extra copies in hand for

The Annual Government and Municipal Review Issue *of* THE FINANCIAL POST

To be published in connection with the June 30th issue

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Such an issue is certain to be read and re-read—consulted and quoted, giving you an unusual audience for your message.

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This Government and Municipal Review Issue will impose a big mechanical burden. Please advise early of the space required. Space may be used at the regular advertising rates of THE FINANCIAL POST—20 cents per agate line for less than 1,000 lines, or the better rat earned by contracts for a larger amount of space.

THE FINANCIAL POST

MONTREAL Southam Buliding, 128 Bleury Street
TORONTO 143-153 University Ave.
WINNIPEG 901 Confederation Life Building

NO COUNTRY IN WORLD BETTER OFF THAN CANADA

(Continued from page 1)

sions has shown that when ample credit becomes available the investment market gradually improves, active speculation develops and production slowly expands. With occasional slight reversions the bond market has been rising since July, 1921, and has made fairly rapid gains during recent months with a large volume of transactions. Activity in stocks is noticeable. In October, 1921, and in recent weeks a boom market has developed. On the evidence of the phenomena related to financial liquidation Mr. Ward draws the conclusion that a new cycle of business expansion is under way.

It is probable that the general tendency of wholesale prices of goods ready for consumption is still downward and retail prices are now rather rapidly working lower in the face of less consumption. On the other hand examination of the prices of raw material prepared by various organizations for economic research shows clearly that the prices of those commodities which were the first to fall are now moving upward into a normal relationship with other classes of prices.

The one outwardly adverse factor which has developed during the spring is the failure of the retail trade to meet expectations. However, wholesalers report a return of a measure of confidence on behalf of retailers. Mr. Ward, however, comes to the conclusion that the outlook is encouraging rather than otherwise and that falling retail prices are in the last stage of the depression. The two great North American countries he believes have both passed through their domestic depression and now face a broad situation so much improved as to remove the last doubts that better business is here.

THE FINANCIAL POST

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, MAY 19, 1922

WHO WILL PAY FOR NIPIGON?

FACED WITH prices for Nipigon power as developed by the Hydro Commission much higher than the rates of the old contract with the Kaministiquia Power Company, Fort William and Port Arthur are acting jointly to have these charges reduced to as low a basis as Toronto and Winnipeg and the deficit charged up to the province as a whole.

The principle of public ownership is power at cost. But it is not hard to understand that the people of Port Arthur and Fort William do not want power at cost when that cost promises to be double or more than they could get the same service for from a private corporation.

If a market is to be found for Nipigon power it appears that it will be necessary to establish rates much below the cost of production. The people of Port Arthur and Fort William are objecting strenuously to shouldering the cost. Why should they pay more for power than Winnipeg or Toronto, they ask? Their attitude is of course illogical but easily understood and the result of the unsound economical teachings of the protagonists of public ownership.

Hydro enthusiasts shout from the housetops that Hydro has not cost the people of Ontario one cent. But who will pay for the Nipigon blunder?

And who will pay for the Chippawa extravaganza if the people of Ontario take the attitude that they should not pay more for power than is paid in Montreal and Winnipeg?

Buying power at $9 per h.p. from an efficient private corporation and distributing it is one thing. Making Nipigon and Chippawa pay their way is another.

UP TO THE MANUFACTURERS

THAT OTTAWA has fallen down in regard to scientific research work in the interests of Canadian industry was intimated to the meeting of Ontario manufacturers in Toronto last week by Lloyd Harris, who has been a member of the Research Council for a couple of years, and who has come to the conclusion from his experience in that body that the work cannot be effectively carried on under government control. At the same time Mr. Harris made it clear that it was highly important to Canadian industry and national prosperity that science should be applied to the development of our resources and he suggested that the manufacturers themselves undertake the work. On this resolution the matter will come before the annual meeting of the Canadian Manufacturers Association.

The matter of applying scientific principles to production and distribution was in the broadest sense a national question, Mr. Harris emphasized. Close co-operation was highly essential if the manufacturers of Canada were to be properly equipped to meet the competition of the great industrial nations. His practical suggestion was that the research work should be started in a small way through the various groups of manufacturers as already organized—each group to consider advantages to be gained in the lowering of production costs and the co-operative marketing of surplus products in foreign markets.

A new idea which is worthy of careful consideration was advanced by Mr. Harris when he suggested that the scientific facilities of the universities should be put to practical uses and that, with the co-operation of the manufacturers, university students in their advanced studies apply themselves to practical rather than theoretical problems. In this way business would gain the advantage of scientific effort and the young scientists would have the benefit of practical business experience.

The bigger men in Canadian industry will appreciate as Mr. Harris does the importance of advancing along scientific lines in the development of industry. It is to be hoped that the matter will receive the attention it deserves at the C. M. A. annual.

WAGES, SALARIES AND CAPITAL

DURING THE war period when the value of labor increased rapidly with the insistent demands for munitions, and when the cost of living arose with the higher costs of production, it was the salaried man who particularly suffered. There were few salary increases for under executives, book-keepers and clerks. And now with the period of deflation this class again suffers. The organized workers, by the aid of their unions, can either enforce their demands for wages which are higher proportionately than the value of their labor, or they can go out on strike and live on strike funds which were accumulated during the period of war-scale pay. The white-collared man—and there are more of them out of jobs than perhaps any other class—has no organization to draw on and no accumulated surplus of savings. The salaried class with capital are bearing the burden of excessive wages paid to organized labor.

A careful study of this subject of the distribution of national income has been undertaken by the American Bureau of Economic Research. Attention is called to this in the February Review of the National City Bank of New York. The period studied and upon which reports were made is from 1909 to 1919. The trend in such economic changes is disclosed when we see that during that decade wages increased its proportion of income from 67 per cent. to 77 per cent. On the other hand, the share going to capital decreased from nearly 33 per cent. to a little less than 23 per cent. This report covered the great and going industries only.

The National City Bank Review suggests that these figures are something to ponder over and should be studied particularly by those who are hypercritical of the existing industrial order. How much more than this 77 per cent. of the industrial production can the wage earners obtain, before the returns of capital will be so small as to discourage new enterprise or industrial expansion? "The opportunity," says the Review, "to increase the income of the masses by increasing total production is very much greater than the opportunity to increase it by still reducing further the amount that goes to capital."

LONG TERM FARM CREDITS

"ALL OF WHICH is respectfully submitted for the consideration of those people who think the rural credits legislation of the Western provinces a revolutionary onslaught upon our sacred and completely perfect banking system," says the Manitoba Free Press advancing Eugene Meyer's farm-banking program which has been put before Congress at Washington.

In the words of the Winnipeg paper: "Eugene Meyer, Jr., managing director of the United States Finance Corporation, has come to the aid of the farm 'bloc' at Washington by supporting their demand for a banking system that will enable the farmers and cattle growers to get much the same accommodation from their local banks as merchants and manufacturers. Mr. Meyer is a banker of great wealth and international reputation and he comes from a family that has been engaged in the banking business on a large scale for more than a century. No one can challenge his reputation as a clear-headed, hard-headed, successful financier. Upon his return trip of ten thousand miles taken for the purpose of getting first-hand information on the agricultural and livestock situation, he advises the creation by Congress of permanent banking machinery for extending credits from six months to three years to farmers, cattle growers and their co-operative associations."

It is immediately clear from an extended editorial that the Manitoba Free Press espouses the farm banking theories put forward by Mr. Meyer, which in the final analysis resolve into the proposal that as the Federal Reserve system serves the merchant and manufacturer by rediscounting their paper for the local banks, permanent banking facilities of a like nature should be erected in the United States for the benefit of the farmers. Obviously, of course this means of financing the farmer and the cattle grower offers a wide margin from the system of rural credits in vogue in Canada under government auspices.

On the other hand, however, and more directly applying to the system of rural credits now in practice in Manitoba is Mr. Meyer's further plan that the land banks established by the United States government under the Federal Farm Loan Act shall in future be used for lending money to the farmer on mortgage security. According to the Manitoba Free Press review these banks would have a department separate from their mortgage business which would rediscount the notes of farmers and cattle growers maturing one, two or three years after date. The bank offering this paper for rediscount would have to endorse the same and become liable but the actual cash would be provided by the land banks, and then to quote the Manitoba Free Press "these land banks in turn would issue bonds against the paper thus rediscounted." In other words the money would be advanced upon long dated security, which is exactly the contention of Canadian bankers, as regards rural credit financing in Canada.

At the last annual meeting of the Canadian Bankers' Association the retiring president, C. A. Bogert, said in this very connection: "If the Government thinks it necessary to make loans to the farming community for the purpose of improving farm property, purchasing equipment or to enable the purchase of additional land, funds for such purposes should be obtained by the issue of long term debentures, which may be met at maturity if necessary by re-funding."

It will be questioned then if the Manitoba Free Press, invariably an ally of the provincial banking venture, and now clearly sympathetic to the Meyer proposals put forward in Washington has not now completely—though perchance unconsciously—allied itself with the argument of experienced Canadian bankers.

EDITORIAL NOTES

LORD NORTHCLIFFE has warned Englishmen against alienating Canada by such measures as the cattle embargo which he urges should be repealed.

* * * *

HON. W. R. MOTHERWELL is accused of failing to support as Minister of Agriculture, the compulsory wheat board which he advocated as a candidate for election. Mr. Motherwell is not the first politician who has been charged with being big enough to become a statesman.

* * * *

THE CONSUMERS of power served by the Hydro Electric Power Commission's Eugenia system are convinced in spite of all the explanations of the Hydro engineers that the project is not being handled economically. That is the charge which public ownership must be prepared to refute if practice is to justify a beautiful theory.

* * * *

THE GOOD WORK which the Vancouver Publicity Bureau has been doing in advertising the city to American tourists and showing direct profits on the expenditure is appreciated by the people of the city and the city council recently doubled the annual grant although deeply cutting appropriations in some other directions.

* * * *

DURING THE PAST six years the Toronto branch of the Canadian Manufacturers Association has carried out a scheme of scholarships in connection with the Toronto Technical Schools donating a total of 288 scholarships amounting in all to $7,200. During the past year there were 10,260 scholars in the various classes of the school. About 7,300 of these belong to the evening classes. This is just one of the many activities of the manufacturers in the public interest.

Booth Industries and Wealth A Monument to Determination

John Rudolphus Booth is Ninety-Five Years of Age and He is Still on the Job—Intimate Sidelight of a Little Known Canadian

No name in the American lumber world is more outstanding than that of John Rudolphus Booth who at ninety-five years of age is still in command of the huge industries which bear his name. His has been a career which has been literally hewn out with a broad-axe and the strength which drove it home is still evident in the man himself and in the mind which dominates his plants and issues curt decisive orders with military relentlessness. The story of this typical Canadian lumberman is interestingly told in MacLean's Magazine by Charles Christopher Jenkins but one cannot but feel that there are other actors in the drama of the Booth institutions even though they may remain behind the scenes and leave the limelight to the "old man"—cannot help but feel that some of the orders which he issues so definitely were started in his mind by suggestion, even though he himself might be one of the last to realize it.

If at the outset one were to seek for the golden key to the tremendous successes of John R. Booth, the mightiest of all the big timber kings of this continent, he would surely discover it to have been an abiding faith in the future of his native Canada, a faith that was fixed and unswerving when other men seriously doubted that the struggling young British colony of the fifties would ever grow to merit its swaddling clothes as a self-governing Dominion within the Empire. Booth is one of the few history makers of those days left to remind us of the intellectual giants who conceived and made come true the dream that is our Canada of today. Like some tall pine of the forests from which he took tribute is John Rudolphus Booth—left standing alone in patriarchal grandeur when others of his day and generation are gone and forgotten.

Still An Active Figure

Like the lone pine of the one-time forests, this grand old man of the roaring fifties and sixties shows little change in mien and habits with the passing of time. Today were you to pay a chance visit to his mammoth pulp and paper factories at Hull, you would no doubt encounter in the yards somewhere, a sturdy figure, medium of stature and slightly stooped, with a face framed in snow-white hair and beard that would remind you of chiselled granite. Now and then you would see him pause in his strides and hear him issue curt, incisive orders, his steel-blue eyes snapping fire, orders which mill-men and yard-men alike are quick to fulfill; for, as in the days when he wielded the cant-hook and rode logs on the river with his men, his commands are final. The law of this iron man has ever been, "When I want a thing done, I want it done the way I say, it should be done." There is no alternative, the over-man who fails to comply to the letter of the orders of the Big Boss might as well at once seek employment elsewhere. So far as one can learn, John R. Booth has never encouraged initiative or originality in those he has hired as executives, a failing which seemingly has not debarred him from becoming one of the wealthiest and mightiest masters of industry in Canada. It is a failing on his part that has dwarfed the careers of those associated with him in his enterprises and made them mere automata. It has also, no doubt, deprived him of opportunities to see the world and its wonders and of well earned relaxation when he could quite as well have shifted minor responsibilities to others.

But the world beyond the zones of Booth activities and expansion holds no sustaining charm for John R. Booth and never has. The twin gods of the material world to whom he pays tribute are Work and Achievement. While he is stoical, dogmatic, domineering and self-opinionated so far as the conduct of his business is concerned, he is almost totally without that conceit which makes some men picturesque and lovable and others merely ridiculous. Other men cannot appeal to his imagination or his vanity as a successful means to an end—unless that end has a distinct possibility of advantage to the Booth industries. He detests eulogy and shrinks from publicity with the shyness of a schoolboy.

The Man Who Is Not Interviewed

Journalists from the larger centers of Canada and the United States have time and again failed in their attempts to secure a self-told story of his career from the lumber king. One writer for publications of international scope, about a year ago, encountered Mr. Booth while the latter was driving about his yards in his time-honored buggy, telling the lumberman he had travelled a thousand miles to get his story.

"Too bad, but I never give interviews to the papers," remarked Mr. Booth, and he drove on.

The interviewer was not to be put off so easily. He endeavored twice more to get the ear of the timber king. His final attempt was made at the entrance to a building where a big paper-making machine was operating. "Mr. Booth," he insisted, "if there were no newspapers there would be no demand for the paper you manufacture."

"Is that so?" challenged the other.

"And if everybody refused to talk to the newspapers then there would be no newspapers."

"Maybe so," agreed John R., "but my job is making paper and you're paid to get something to print on it. You are wasting your own time here and mine too."

With that he strode out to his buggy and drove away.

Motion picture men have on occasion been successful in making "shots" of Mr. Booth, but always they have had to be resourceful enough to get him unawares. Though reticent and distinctly reserved in the presence of strangers, he is noted for his deftness at repartee. A story is told of a stableman who attended to Mr. Booth's horse at one of his customary stopping-places up country to whom he usually gave a ten cent tip. One evning the stableman thought to suggest an increase in his honorarium.

"Mr. Booth, sir," he opened, "did you know that you only gave me ten cents?"

"What's that?" demanded Mr. Booth.

"You only gave me ten cents," repeated the hostler. "Now your son, sir, never gives me less than a quarter."

"My son is better off than I am," replied the magnate as he climbed into his buggy. "You see, he happens to have a rich father."

Another story is told for whose veracity I cannot vouch, but it goes to illustrate the modesty and simple tastes of the man. Following injuries received in a fall in his yards, Mr. Booth went to a well-known American sanitarium for expert treatment. There he registered as "J. R. Booth, lumberman." The hospital authorities, taking it for granted he was a worker in a Canadian lumber camp, thought to make his bill as reasonable as they possibly could and fixed it at a couple of hundred dollars. But when Mr. Booth went to pay up he drew out a roll of bills of such large denominations that the office staff stood aghast.

"The lumber business must be pretty healthy these days, Mr. Booth," remarked the manager.

"Pretty fair," replied the patient.

"By the way, what lumber company are you with in Ottawa?"

"I am with the Booth Mills."

"You are a foreman there, I suppose?"

"No," quietly replied the other. "I am the owner."

Since then, it is said, the management of that particular sanitarium has been diligent in looking up the rating of every quiet-appearing patient lest the institution be again treating some Canadian multi-millionaire unawares.

Though he has been ready to spend hundreds of thousands of dollars in public-spirited enterprises that benefited Ottawa and the country as well as bringing in greater revenues to his own businesses, and, though he contributed toward the construction of the Ottawa Y.M.C.A. building, furnished funds for an addition to St. Luke's hospital, now known as the Booth wing, and otherwise aided laudable undertakings, Mr. Booth is not a philanthropist in the sense that other millionaires have been. His conviction is that the best way to help others is to give them opportunity to help themselves. His own experience was that he got nothing from the world, that he did not work and strive for with little or no relaxation from the grind of duty.

The Human Side

Nevertheless old-timers rcall incidents that throw a light on his notion of charity—though J. R. Booth probably would not designate it by that name. Back in August, 1910, the Booth mills were shut down through the strike on the Grand Trunk railway. Two thousand men, many of them with wives and families, were thrown out of work. After seven days of idleness the regular Booth pay day rolled around. The first man in the long line of workers who stopped at the cashiers wicket opened his yellow envelope and gave a gasp of surprise. The next gave a shout of joy, and soon the small army of workmen who came with gloomy faces wondering how two week's expenses were to be paid out of one week's pay was turned into a happy, singing crowd. Each found his envelope to contain full pay for the week the railway strike had thrown him out of work.

Another instance is told of an old lumber-jack who was brought down with pneumonia. In the night while this man lay on his bed of fever and his family sat up mournfully watching his unequal struggle with the Grim Reaper, thre came a light tap on the door of the little cottage, which was opened to admit the sturdy, stooped figure of John Rudolphus Booth, who brought with him a simple, old-time

(Continued on page 15)

PERSONALS

A. B. SILCOX, who has been associated with the Citizens Research Institute of Canada at its head office in Toronto, is acting as director of the Citizens Research League of Calgary. This league has been organized by leading Calgary business men to promote studies of civic government and financing in Calgary along the line of work of the Toronto Bureau of Municipal Research.

J. B. McKECHNIE, the newly elected president of the Dominion Mortgage & Investment Association, is general manager of the Manufacturers Life Insurance Company. Mr. McKechnie has been connected with this company for many years, having joined the actuarial department, after his graduation from Queens University as a gold medalist in mathematics in 1903. In 1907 he was appointed assistant actuary and was made actuary in 1909. He is past president of the Can. Life Insurance Officers' Assn. and is also a past president of the Insurance Institute of Toronto. He is a Fellow of the Institute of Actuaries of Great Britain as well as a Fellow of the Actuarial Society of America.

WILLIAM P. TELFORD, Sr., founder of the Grey and Bruce Loan Company, who died at his home in Owen Sound on May 5, was born in Castleton, Roxborough Co., Scotland, in 1836. Mr. Telford on leaving school, was a stone mason's apprentice and then taught school for 14 years. One of the earliest ventures of Mr. Telford, was to organize the Sydenham Mutual Fire Insurance Company and he was its first secretary. In 1883 he established the private banking firm of Telford and Company and for 23 years was its active manager, until it was sold to the Sovereign Bank. In 1889 Mr. Telford organized the Grey and Bruce Loan Company and held the position of manager until his death. Mr. Telford was one of the principal shareholders of the Sun Cement Company and was president of the Company. He was also president of the Georgian Bay Power Company.

H. AUSTIN EKERS, who was elected Chairman of the Montreal Stock Exchange for the current year to succeed C Simpson Garland, has been a member of the Exchange for the past nine years. In 1910 Mr. Ekers received his initiation into the mystry of "stocks" in the office of Sir Rodolphe Forget and one year later was elected a member of the Exchange. In 1915 he formed a partnership with Gordon Cushing under the firm name of Ekers & Cushing. A few months ago Mr. Ekers' firm had the misfortune to be burned out when the Standard Assurance building was destroyed, but they were fortunate in securing the quarters formerly occupied by Fairbanks, Gosselin & Co. on Notre Dame St. and after refitting are well equipped for business. Mr. Ekers has been a member of the Committee of the Montreal Stock Exchange for the past three years, and last year was vice-chairman of the Board.

MAJOR GENERAL ERASTUS WILLIAM WILSON, C. M. G., who had been prominent in military circles in Montreal and district for a number of years, and who up to the time of his death was manager of the Canada Life Assurance Co. for the Province of Quebec, passed away on Monday of this week at the age of 62. His death was the result of a slight stroke he received some years ago. Six weeks ago he went to Atlantic City to recuperate but his old trouble returned. Two weeks ago he came back to Montreal but his condition became steadily worse. The late General Wilson was born in Belleville, Ont., on July 1, 1860, but came to Montreal in 1882 and started business. Two years later he joined the Manufacturers Life Insurance Co. staff, and was soon made manager for Montreal. In 1911 he joined the Canada Life becoming manager for Montreal, and later on the position was extended to a charge of the whole province, a post he occupied until his death. His military career began in 1882 on his arrival in Montreal when he joined the Third Victoria Rifles as a private. In September, 1903, he was made Lieut.-Col. of that regiment and in 1907 went to the Reserve of Officers. When the Great War broke out in August, 1914, he was called upon by General Sam Hughes, then Minister of Militia, to assist him in the organization of the First Canadian Expeditionary Force and was with General Hughes at Valcartier until the contingent sailed. Later he accompanied Sir Sam overseas, as Staff Officer, arriving in time to meet the Canadians at Plymouth, and accompany them to camp at Salisbury Plain. On his return to Montreal in November, 1914, he was appointed General Officer Commanding here, succeeding Brigadier-General Septimus Denison. He was made Brigadier-General in 1915, and in 1916 commanded the Valcartier Camp, where 20,000 Canadians were assembled for the Second Canadian Contingent. This was considered one of the best camps in Canada, and General Wilson was highly complimented by the Duke of Connaught the Governor-General for his work there. The Duke was the first to notify General Wilson, during his service at Valcartier, of his promotion as Major-General. At the close of the camp at Valcartier, General Wilson resumed his duties as General Officer Commanding in Montreal, continuing until November 10, when his retirement from that office was officially announced. In 1918 he was sent to the front on an instructional tour, and spent some time with General Sir Arthur Currie and other Canadian commanders, as well as visiting the various Canadian camps in Great Britain.

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Government Bonds

SECURITY	RATE	DUE
ALBERTA (Guar. C.N.W. Ry.)	4½%	Feb., 1942
BRITISH COLUMBIA (Guar. P.G.E. Ry.)	4½%	July, 1942
BRITISH COLUMBIA	6 %	June, 1941
BRITISH COLUMBIA	6 %	Oct., 1946
MANITOBA	6 %	June, 1941
MANITOBA (Guar. R.M. Albert)	6 %	1923 - 1952
ONTARIO	6 %	Dec., 1935
ONTARIO (Guar. H.E.P.C.)	6 %	July, 1961
QUEBEC	4 %	Jan., 1928
SASKATCHEWAN	6 %	Oct., 1940

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Another Reader With $10,000 to Invest

Within the past month THE FINANCIAL POST has received three inquiries for advice regarding the investment of $10,000. It is no doubt a coincidence that these three readers should mention the same amount but at the same time it would seem to emphasize that people with such sums to invest are typical of the subscribers of this paper. The first inquiry was from a reader in New Brunswick. The second was from a doctor in a small town in Nova Scotia with a $10,000 endowment policy coming due. The third is from a big manufacturer in Montreal who encloses a list of industrial bonds he has been offered and asks if we will give our opinion on these. The following is from our reply:

Since receipt of yours regarding the investment of $10,000.00 in industrial bonds we have been giving consideration to the matter and feel that a man in your position who is able to keep in touch with the business situation could place his funds in a number of issues mentioned in your list with confidence and advantage, that is particularly as compared with investment in Quebec Schools at 5½%.

We conclude that you are probably well protected in gilt-edged investments and are in a position to invest in industrial bonds with a larger return, particularly when you should be able to give some attention to the conditions affecting the various industries involved.

Of the list you mention we are inclined to favor those issues made to financing the more fundamental industries, such as better paper companies, milling concerns and steel companies, keeping in view at the same time the marketability feature which is important when a "switch" may be desirable.

Despite the recommendations of some investment houses we are not inclined to favor the public utility bonds as we have had some experiences in Ontario which indicate what may be expected when public ownership becomes a popular fad. Quebec seems to be safe in this connection for the time being but there is no saying what the politicians may be able to accomplish in the future.

Keeping these things in view we think that Dominion Iron, Dominion Textile, Price Brothers, Abitibi and Canada Cement would prove satisfactory. We also regard Ogilvie and Penmans as among the best of the industrial bonds available. The new issue of Provincial Paper has attractions.

THE FINANCIAL POST has an office in Montreal in the Southam Building on Bleury Street. H. H. Black is our resident editor and is closely in touch with the investment situation in Montreal. He would be in a position to give you advice at any time regarding your investment affairs if you cared to call him up or to arrange a meeting with him. You might, also, perhaps with advantage, form a connection with a reliable investment house and in this way have them watch for you for favorable opportunities in making investments which are occurring from time to time when holders of bonds may find it advisable to realize or when attractive issues are being made.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

SMELTERS

M., Cornwall.—What is your opinion of Consolidated Smelting & Refining Co. as a speculation?

We consider that there are fair speculative possibilities in "Smelters" as it is commonly called. The company showed a considerable improvement in earnings last year as compared with the previous year, and it is expected that the earnings this year will show a considerable advance also on those of 1921. At the annual meeting held a few weeks ago the president, Mr. Warren, intimated that dividends would be started again for the last half of the present year, but whether these will go back to the old 10 per cent. basis, or whether 4 per cent. or 6 per cent. or any other dividend, no one outside those in immediate touch with the company is in a position to predict. Prospects for the company's zinc and lead productions have become brighter. A new issue of bonds for purposes of extensions will be forthcoming shortly.

STEEL OF CANADA PREFERRED

Subscriber, Cranbrook, B.C.—What is your opinion of Steel of Canada preferred at present prices?

We feel you can regard this as a reasonably safe investment. The company in spite of unfavorable conditions in the steel industry has been able to maintain its strong financial position, and has a substantial reserve built up that prevented much question of a passing of the preferred and little of the common. From now on business conditions for the company promise to improve, and with a falling rate of interest it is reasonable to believe that the well seasoned stocks will benefit by an appreciation in their market quotation.

CITY OF PARIS BONDS

G., Calgary, Alta.—Would be pleased if you would advise me on the advisability of City of Paris bonds as an investment.

We regard these bonds as a perfectly safe investment. They were issued in Canada to the extent of $6,000,000 to provide capital for the purchase of food and other supplies for the municipal stores of Paris. Since that time the scheme had been abandoned for various reasons and there are several million dollars of the proceeds still on deposit in this country. The bonds are payable both principal and interest in Canadian funds so that there would be no question of loss through exchange conditions. While the purchase of internal French bonds might be a little uncertain owing to domestic business conditions this would hardly apply to an external loan like this. The price at the time of the first issue gave a return of 6½ per cent. but this has risen with the general strengthening of the bond market so that you could hardly get these City of Paris bonds now to give a yield of much over 6 per cent.

CANADIAN LIGHT AND POWER

C., Moose Jaw, Sask.—Will you kindly give me some information as to Canadian Light & Power bonds, maturing in 1949? I am unable to get any information from the company.

We never have been able to recommend these bonds for the simple reason that we have failed to secure any definite information with regard to the earnings of the company itself. Canadian Light and Power Co., is controlled by the Montreal Tramways and Power Co., which also controls the Montreal Public Service Corporation. The latter is the distributing agency for the light and power of the Canadian Light and Power Co. It is quite true that the bonds have paid their interest regularly and that recently, coincident with the publicity given the plans for big power development by the Robert group, that the price of these bonds rose nearly 20 points within a few weeks. We believe that it was the absence of definite information in regard to the various companies concerned that was responsible for the low price these bonds have paid until very recently. These bonds may be a perfectly sound investment, but without definite information on which to base an opinion as to their actual merits we must refrain from advising as to purchase.

SPANISH PREFERRED

E., Cranbrook, B.C.—I would like your opinion of Spanish preferred as an investment at present prices.

You will notice that the stock has advanced some 25 or 26 points since the beginning of the year. This stock declined in sympathy with a number of other pulp and paper securities, as late last year and early this year no one was in a position to decide what the prospects for business and what the prices would be as the year advanced. The newsprint situation, however, has improved very materially the last couple of months or so and the companies are now operating well to capacity and have made contracts covering their output pretty well for the balance of the present year. It seems certain now that the present price of $70 per ton of newsprint will at least be maintained and there are some who feel that the price will stiffen as the year goes on. Spanish River is booked to capacity for the balance of the year and we understand that even at $70 a ton it is considerably more than earning its preferred and common dividend as well. In comparison with other preferred stocks at 7 per cent. the price which is now close to par looks high but those who are investing in this security have a feeling that in the next year or so the dividend will be increased on the common and as the preferred participates with the common this too would feel the advantage in a market sense.

SHAWINIGAN

S., Toronto.—I shall be glad if you will advise me of your opinion as to the outlook of the Shawinigan Water & Power Co. Would you consider that the stock having been purchased at an average of 107½ should be sold at the present time?

We feel that you would be well advised to hold your stock for some time to come. The Shawinigan Water & Power Company is showing favorable earnings in spite of the fact that the business depression lessened the amount of power sold in large blocks to industrial concerns. Not only should the dividend be assured as it stands, but we think that within the next year or so there may be an increased dividend and this should bring about some appreciation in the market price of the company's stock. The stock is giving a fairly good return at the present time and we feel it is of a type of safe, long-term investment. There was some fear when the company asked authority to increase its capital stock some weeks ago, that there might be new issues of stock and developments of industrial companies such as is taking place down at Shawinigan Falls. This it was feared might increase the compercentage earned might delay an immon stock to such an extent that the provement in the position of the shareholders for some time to come. There seems little idea of this, however, the new money, so far as we can learn, being desired to carry out extensions in the production of power. This increase would at once bring in a good revenue and more than cover the cost of extensions.

THAT $10,000 POLICY

The request for investment advice by an Eastern doctor with $10,000 endowment life insurance policy coming due, referred to in THE FINANCIAL POST of two weeks ago, has brought the following suggestions from Greenshields & Company, of Montreal:

As members of the syndicate that made the offering of Bell Telephone you will know at the outset that we consider the doctor's idea of taking on 40 shares thoroughly sound. Montreal Tramways, because of the favorable contract between the company and the city can also be given a good rating, as the 10 per cent. dividend looks secure and shareholders will probably benefit from time to time by new issues of stock at a discount.

For the balance of his investment he could hardly do better than select the Bank of Montreal and the Royal Bank that he has under consideration, but having in mind the basis on which his previous investments have been made, Steel Company of Canada common would have to be considered too speculative. He should buy instead either Steel of Canada preferred or Dominion Steel Corporation 6 per cent. preference.

The whole investment might well be divided in approximately equal units of $2,000 market value and spread over 5 issues—Telephone, Tramways, Bank of Montreal, Royal Bank and one of the two steel preferred stocks. This would involve cutting down the amount of Bell Telephone that he proposed to buy, but much as we like Bell Telephone, diversity is too important a consideration to be ignored.

Apart from his Brazilian, the doctor has a good diversified list of dividend-paying stocks and cannot go far wrong with issues like Montreal Power, Shawinigan, Laurentide and Canadian Pacific Railway. It will probably pay him to hold Brazilian until it is back in the dividend-paying class.

SOUTHERN CANADA POWER

R., Kingston.—Will you please discuss in your next issue Southern Canada Power common? I have just been persuaded to buy some of this stock although I know nothing about it, beyond knowing the company's balance sheet. I paid 32½ for the stock three days ago. What are the prospects for it? Information will be appreciated.

We presume that in buying this stock as an investment you had in mind not only an advance in the market price of the security but the declaration within a reasonable time of a dividend. We do not think you will be disappointed in either of these respects. The company is making a successful record in securing new industries for the district it covers from time to time with the result that its gross earnings and its net income is increasing steadily. For instance, in 1914 it had only 2,260 customers and these rose to 12,240 in 1921. As far as earnings are concerned, in 1915 the gross amount was $120,893 and in 1921 a total of $734,989. The net earnings rose from $59,673 to $379,050 in 1921. For the six months of the new fiscal year up to the end of March 1922, the gross earnings amounted to $434,495, a considerable advance over those of the corresponding period of last year while net earnings advanced to $250,736, an increase of $66,622. Prospects before public utility corporations are brighter now than they have been for a long time and we believe that you will not be disappointed in the development of Southern Canada Power. More interest will attach to its securities in future and there will be greater activity, we believe, as a result of the coming listing of the stocks on the Montreal Exchange. There is one point in regard to the preferred stock that is favorable and that is that there is only a small amount on which a dividend is being paid, namely $319,000 outstanding which leaves most of the net earnings available for common dividends.

CURRENT OPINION

THE GERM OF CAPITALISM
(By Lord Leverhulme)

Shall we take the growth and development of a capitalist, and see how he begins?

I venture to say, if you will search back during the last two thousand years, you will come to this germ growth of a capitalist. It has been so in all ages; it is so to-day. We will take six young men entering any trade, engineers, or whatever it may be, at the same time, approximately the same age. One of them takes the view of what is outside the wage envelope, he is hard-working and saves. The other five, like the man with the one talent, have no sin; they are simply pleasure-loving, easy-going, and they never think very much about to-morrow. When their money comes it is spent, but they have no sin, no vice—they are merely pleasure-loving, easy-going.

Now, the young man who saw more outside his wage envelope saves and prepares a home and marries the girl of his choice. In process of time he is made a foreman; a little later on he is made a manager; a little later on he is an actual employer himself, and further, later on in life, the other five —who have committed no sin, remember—seeing him go past in his motor-car, with a smiling wife and bonny children beside him, wonder how it is, and they come to the conclusion that it is the capitalistic system that has placed one man in the motor-car and left the other five just where they were when they began. They adjourn to the nearest public-house and pass resolutions against the capitalistic system, and determine it must be overthrown immediately, if not sooner.

DODGING THE INCOME TAX
The Vancouver World.

According to economists the average income of all the wage earners in the United States and Canada was over $1,000 in 1919, and slightly less last year, and across the border it is assumed for statistical purposes that about 40 per cent of the population are "gainfully employed." This estimate is probably much too high as applied to Canada, but even when cut in two—leaving 20 per cent.—there are well on to two million wage earners in this country. A large proportion of these would not be called upon to pay income tax because the exemptions provided would more than offset such payment, but according to the law, everyone receiving an income of $1,000 is required to make a return whether he has to pay any tax or not.

It is apparent, therefore, even on the most favorable estimate, that tax dodging is indulged in on a wide scale in the Dominion, although probably not nearly to the same extent as in the United States, where the matter has assumed the proportions of a scandal. Slightly over 5 per cent. of all Canadians last year paid the entire amount collected through the income tax, $78,000,000, and the remaining 95 per cent. went scot free. In this province 17,958 persons paid the tax out of a total population of nearly 500,000—less than 5 per cent.

The federal authorities are faced with the alternative of making the income tax apply uniformly and fairly or of abandoning it in favor of a more equitable system. At present the only class who are paying it regularly and fully are those who appear on salary lists which have to be supplied to government officials.

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It gives the history of the Company and deals with the purposes of the Bond issue—the provisions for Sinking Fund—the properties, their valuation, the franchises and earnings—the management and the field for expansion.

It will be interesting reading to all investors desiring to purchase well-secured Public Utility Bonds to yield 7.20%.

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NEWS OF THE BOND MARKET

WHAT PROVISION NEEDED TO MEET PROVINCES' DEBTS?

Are Sinking Fund and Serial Type Bonds Coming Soon?

Canadian provinces owe about $450,000,000. Outstanding obligations of the various provincial governments are very close to that figure. Five years ago—in 1917—the bonds and debentures outstanding of the nine provinces were approximately $225,000,000. In other words the liabilities of the nine provinces have doubled in five years.

A long winded argument could be written around these figures to show that we are tying a mill stone of debt around our necks but the case would hardly be fairly presented in this way. The provinces have not yet assumed obligations that they cannot meet. They have moreover actual tangible assets to show for this expenditure—assets so productive as roads, telephone systems, electrical developments and as necessary, if not immediately productive as public buildings, etc.

It is when an examination is made of the provision that has been established for the repayment of these loans at maturity that one finds cause for thought. There are sinking funds in the various provinces but the aggregate of the sinking funds of all the provinces is but a bagatelle compared with the debts outstanding. For all practical purposes it may be taken as a fact that Canadian provinces have borrowed without making provision for the repayment of their loans. When bonds have matured they have been met by making new loans—refunding issues. The provinces have met their promissory notes with I. O. U's. Because the provinces had tremendous assets, very little direct taxation—none in the case of most of the provinces—and a tremendous taxing power as a final reserve—they have not had difficulty in borrowing.

Provisions for Repayment

The tremendous volume of new issues in the past two years has directed the attention of students of investment to this phase of provincial finance. Representations have been made by various bond dealers to the different provincial treasurers pleading for the establishment of methods for the repayment of bonds at maturity. Sinking fund bonds have been suggested and attention has also been directed to the serial bond issues of New York, Massachusetts, and other American states.

Either increased taxation or fewer bond issues would have to come. But at least the provincial financing would be on a sounder basis. At present the provinces are financing their development not by borrowing for terms based on the life time of the works engaged in but by issuing capital stock—for when issues are to be refunded each time as they mature the financing is certainly of a permanent nature.

Investors need not be surprised if sinking fund or serial bonds of Canadian provinces are offered to them within the near future.

ROAD PROGRAMME OF SASKATCHEWAN GOV.

Million and a Half Will be Spent There This Year

From Our Own Correspondent.

REGINA.—Of a total of $2,035,932 voted by the legislature for public improvements in 1922, approximately $1,570,000 will be spent on roads and bridges in Saskatchewan.

This expenditure will be as follows: Road construction under the federal aid plan, $900,000; large steel and concrete bridges, $120,000; main market roads, $550,000.

Of the $2,035,932 voted, $1,180,932 is chargeable to revenue and the remainder, $855,000, chargeable to capital account. The total vote is $300,000 less than in 1921. It is estimated that about $900,000 will be required to complete contracts entered into last season and contracts now contemplated under the Federal Aid Plan. The maintenance of 300 miles of this type of highway constructed in the province last year will this year be under the direct control of the provincial highways department.

BELL TELEPHONE CO.

To Instal Automatic System, First In Ontario, Then Quebec

The Bell Telephone Company have decided to adopt the automatic system. The change will be first felt in Toronto, then Montreal and later will be extended to Ottawa, Hamilton, and other large cities, where more than one exchange is necessary to handle the business. This decision was reached at the last meeting of the company's engineers as the only way to take care of the volume of future business.

The first part of the company's program contemplates the immediate erection of two exchanges in Toronto, one in the downtown business district and the other in the East end of the city. This change will not affect the number of operators employed at the present time, as it will probably be many years before existing manual equipment will be replaced.

HEAVIER BORROWING BY ALBERTA CITIES

Utilities Board Passes on Larger Number of Applications re Loans

From Our Own Correspondent.

EDMONTON.—The Alberta Public Utility Board's annual report, just issued, shows that in 1921 certificates to sell shares of stock were given to sixty-nine companies, the total amount of stock thus authorized for selling being $1,881,000. Nine concerns among those applying for the Board's approval were refused permission to sell shares most of them being oil and mining ventures.

Municipal borrowings and debenture issue, which the Board is required to pass upon, were heavier last year than in 1920, though the policy adopted and strictly applied was to limit new expenditures to absolutely necessary undertakings. There were several re-issues of large amounts. School district borrowings decreased somewhat both in number and in the total sums asked for. These decreases were due, it is believed, in the one case to financial conditions and in the other to a considerable falling off in building costs.

The Board was busily occupied also with applications for cancellation of subdivision plans, tax compromises, readjustments, etc., as a result of the desire to turn over-boomed subdivision property back to its original farm-land status. A great deal of work under this head came before the utility commissioners during the year, together with two special matters, the adjustment of toll charges for the Alberta telephone service and an order to the Canadian Western Natural Gas Company for an augmented gas supply to the City of Calgary. The number of applications of all kinds dealt with by the Board was 563.

SASKATCHEWAN PAYS G.T.P. INTEREST AGAIN

Province Threatens to Take Over the Lines Under the Trust Deed

From Our Own Correspondent.

REGINA.—The federal government having again failed to pay interest on certain Grand Trunk Pacific Bonds (Saskatchewan Branch Lines) the provincial government has again been called upon to meet the semi-annual interest payment. The amount disbursed in this connection on May 1 was $268,560.

This payment constitutes the third consecutive one which the province under the terms of the guarantee made at the time of construction, has been called upon to pay. The amount due the government of the province under this connection, not allowing interest, is now $865,000.

The trust deed in connection with the guarantee provides that if the company does not meet the interest coupons as they become due for a period of two years or four successive semi-annual payments, the province then has the right to enter into possession of the railway.

Premier Charles Dunning states that if the Dominion Government permits the interest payment due November 1, 1922 to go into defualt—thereby completing the two years provided in the trust deed—the province will immediately take action to protect its rights in the matter.

"The Canadian National System cannot keep its branch lines in the province unless it is prepared to meet its obligations in respect to such branch lines," said Mr. Dunning.

Chicago Board of Trade membership has been sold for $6,550 net to buyer, or $100 less than a week and $150 less than a fortnight ago.

HANOVER CEMENT BOND ISSUE MADE

Offering of $340,000 By Canada Bond Corporation To Yield 8 Per Cent.

Offering is being made by the Canada Bond Corporation of $340,000 of 8 per cent. 20 year bonds of Hanover Cement and Stone, Ltd. This company operates a plant at Hanover, Ontario.

The total amount of the issue is $600,000 but $260,000 have been deposited with the Chartered Trust to provide for repayment of a first mortgage to that amount.

The bonds are redeemable for the sinking fund by drawings after 1925 at considerably enhanced prices.

Net assets are estimated at $1,176,532 or almost twice the bond issue. Earnings have been sufficient to pay 7 per cent. per annum on the preferred stock of the former company and an average of 4.35 per cent, per annum on common stocks.

The bonds are offered at par.

SHERBROOKE LOAN COSTS 5.39 PER CENT.

Bond Sales of the Past Week—Napanee and Renfrew in Market

Municipal Bankers' Corporation have purchased $100,000 of 5 per cent. 20 year bonds from the City of Sherbrooke at 95.247, a basis of 5.39 per cent. This is a new low cost price for municipal borrowing in the present strengthening movement in bond prices. Other bids were:

Municipal Bankers Corp.	95.247
Dominion Securities Corp, McLeod, Young, Weir & Co. and Gairdner, Clarke & Co.	93.78
A. Jarvis & Co.	93.567
Wood, Gundy & Co. and R. T. Leclerc & Co.	93.16
Johnston and Ward	92.84
A. E. Ames & Co.	92.637
Provincial Securities	92.50
Hanson Bros.	92.20
Credit Canadien	91.735

County of Renfrew has disposed of $200,000 of 6 per cent. 20 instalment bonds to A. E. Ames and Co. at 104.33, a cost basis of 5.45 per cent. Bids were:

A. E. Ames & Co.	104.33
R. C. Matthews & Co.	104.12
Dyment, Anderson & Co.	103.87
W. L. McKinnon & Co.	103.80
Municipal Bankers Corp.	103.576
Bank of Nova Scotia	103.52
C. H. Burgess & Co.	103.424
Wood, Gundy & Co.	103.418
Greenshields & Co.	103.37
A. Jarvis & Co.	103.23
Gairdner, Clarke & Co.	103.065
A. D. Morrow & Co.	102.92
National City Co.	102.54
Brent, Noxon & Co.	102.13
MacNeill, Grahame & Co.	102.11
For 5½% Bonds	
Sterling Bank	99.83
Wood, Gundy & Co.	99.43

Napanee has disposed of $47,000 of 30 instalment 5½ per cent. bonds to A. E. Ames and Co. at 99.53 the money costing 5.55 per cent. Bids were:

A. E. Ames & Co.	99.53
Dominion Securities Corp.	99.28
Wood, Gundy & Co.	98.03

BRYANT, ISARD DEBIT

To Be Discharged in Full Within Next Five Years

Morris P. Bryant of the brokerage house of Bryant, Isard & Company, now in bankruptcy, has signed an agreement to pay the creditors one hundred cents on the dollar of their claims, approximately $100,000 on account, is now in the hands of the trustee. A distribution of 50 per cent. may probably be made in the next month or six weeks and Mr. Bryant guarantees payment of the total balance within five years, with interest semi-annually. When the agreement has been signed by the Judge in Bankruptcy, a copy will be sent to all creditors. The organization of a new firm to be known as Bryant Bros., is to be completed shortly. The preferred guarantees of the new company representing the balance of the 50 per cent. must be in the hands of the trustee within two months.

Henry Ford and Swift & Co. are said to be planning steamship lines to operate between Great Lakes and foreign ports via Barge Canal. Companies to use sea-going electric motor barges of special design.

BOND MOVEMENTS OF THE WEEK

BONDS—	Int. Rate.	Due. Year.	Yield.	Range 1921. High	Range 1921. Low.	Range 1922 High.	Range 1922 Low.	Latest Price Week Ending May 16. Ask.	Bid.	High.	Low.
Asbestos	5	1942	6.47	100	73	100	76	—	82¾	83	—
Can. Cement	6	1929	6.54	95	89	98⅜	94	98	97	96¾	—
Can. Cottons	5	1940	6.36	84	77	85	82	—	85	85	—
Can. Car	6	1939	6.21	98	97½	98⅛	95	97¾	—	97¾	—
Can. Con. Rubber	6	1946	6.43	90	84	95	88	—	94½	94½	—
Montreal, May, 1923	6	1923	5.45	108	100	103½	100	101	—	101	—
Can. Felt	6	1940	6.85	88	88	91	91	—	90	91	—
Dom. Cotton	6	1922	6.50	99¾	96	99½	99	—	99¼	99½	—
Dom. Iron	5	1929	6.80	88	75	89½	82½	89¾	—	89	—
Dom. Textile	6	1925	6.80	98	92	99½	97¼	—	97	97¼	—
Lyall	6	1932	9.10	86	68	79	75	—	75	77¾	—
Montreal, Sep. 1923	6	1923	6.25	100	97¾	102	97½	—	99½	99½	—
Montreal Trams	5	1941	5.93	90½	82¼	89	87½	—	88	89	—
Quebec Railway	5	1939	8.15	68	59	71	63½	70¾	—	71	69½
Rio Janeiro	5	1935	7.30	84¼	78	85⅝	76	—	—	80	—
Steel of Canada	6	1940	6.13	98¼	88½	99	97	99½	99	98½	—
Sao Paulo	5	1929	7.51	82	70	85½	80	85	84	85	—
Wayagamack	6	1951	7.70	78¼	69½	80	71¾	80	79⅞	80	78½
West Kootenay Pr.	6	1940	6.37	90	90	96	96	96	—	96	—
Winnipeg Electric	5	1927	6.62	92	92	92	89½	—	—	92	—
War Loan (1925)	5	1925	5.48	96.00	92.00	98.60	96.10	.....	98.30	98.30	98.00
Do., (1931)	5	1931	5.19	96.60	90.05	98.90	96.25	98.60	98.50	98.75	98.30
Do., (1937)	5	1937	4.99	102.50	94.50	101.50	99.50	100.50	100.00	100.75	100.00
Victory (1922)	5½	1922	5.60	99.55	96.62	100.10	99.10	99.95	99.85	99.90	99.60
Do., (1923)	5½	1923	5.53	99.50	95.50	100.10	98.75	100.00	99.95	99.95	99.60
Do., (1924)	5½	1924	5.67	98.50	94.25	100.75	98.00	99.60	99.50	99.65	99.25
Do., (1927)	5½	1927	5.35	101.00	95.25	102.70	99.75	101.00	100.70	101.25	100.60
Do., (1933)	5½	1933	5.15	101.80	95.12	103.50	101.25	103.05	103.00	103.35	102.75
Do., (1934)	5½	1934	5.42	99.43	92.25	101.45	98.80	100.80	100.75	101.00	100.60
Do., (1937)	5½	1937	5.00	104.00	96.50	106.55	103.30	105.45	105.30	105.60	105.00

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CIVIC AND PROVINCIAL FINANCE

WINNIPEG RAILWAY ASKED TO REDUCE STREET CAR FARE

Will Lower Rates Increase "Riding Habit?" is Problem

From Our Own Correspondent.

WINNIPEG.—The Winnipeg Electric Railway's recent urging for a ten-year franchise extension from 1927 to 1937 to permit of fresh financing for extensions and new equipment has been completely overshadowed by the city council's decision to ask the utility company for reduced car fares effective August 1. The city fathers adopted the view that the "psychological" effect of a fare reduction would be an increase in passengers, thus equalling the reduction in revenue which would otherwise accrue from the fare cut. Observers regard the development as a herring on the trail.

A. W. McLimont, vice-president and general manager, says: "In dealing with the company's affairs it does not appear that the report has tanen into consideration the fact that traffic is declining rapidly and as a result of this and the lower fare effective last August there is a heavy reduction in revenue which will amount to approximately $160,000 in 1922. The suggested reduction fare if adopted would automatically increase the annual reduction revenue by a further $165,000."

The Manitoba Free Press editorially indicates that the trend is toward a civic-owned street railway in Winnipeg. "If the company continues to press now for a new agreement granting it an extension of its franchise instead of waiting till a year or two before the expiration of its present franchise this will necesarily call for the opening up of the whole question of granting a new franchise or not," says the newspaper, adding, "in that case the people who will decide the issue will have before them two alternatives—continued operation of the street railway by a private company or purchase and operation by the people themselves." The Free Press proceeds to tell of the municipalizing of the Detroit United Railway and to give favorable tribute to the changes since the City of Toronto took over the trolley lines.

In the city council discussion Ald. Sparling, speaking for the sub-committee, in handing down its decision for a fare reduction said that the committee did not justify its report on the ground of the company's net profits. The city's auditors stated that on the basis of $9,000,000 odd of physical value, the total return to the company in 1921, both on shareholders' capital and on borrowed money was less than 7 per cent. or approximately 6¾ per cent. The company claimed that the net return in 1921 was only 5.34 per cent. So far as the sub-committee could ascertain the cost of the company's borrowed money was about 5½ per cent.

According to the company's figuring, its return in 1921 on the $10,000,000 of physical value it claimed was as large in respect to shareholders' capital as in respect to borrowed capital or perhaps a little less. Owing to these differences of opinion the sub-committee did not justify its report on actual net cash profits. It justified it rather on the ground that for some reason the decrease in fares instituted last year had produced an increasing revenue.

"We think we see some connection between the psychology, the mental make-up of the people, and this increase in the number of passengers carried. We know, moreover, that a great many people now are walking, and we suggested to the company that a reduction in fares did not always mean a loss. There is a certain attitude in men's minds which often will make them buy if you can get the price where it appeals to them. It is one thing to break into a dollar bill and spend 50 cents, and another thing to find a quarter in your pocket and buy tickets with it.

"We were influenced by another thing. We felt that we ultimately must get back to the fares in by-law 543. This is a second step in that direction. Perhaps next year it will be possible to take a third step it will be possible We have suggested to the company that it should consider this view of the situation. We have suggested that if it lowers the price of its red and white tickets it will make its goods so attractive that more people will want to buy them."

Alderman Douglas presented to council two carefully prepared schedules showing in detail the number of passengers carried and the revenue earned from each class of fare during 1921 and 1920. These tables show that while the number of passengers carried in 1921 was less than that carried in 1920 by $3,482,561, the gross return to the company was higher than in 1921 by $28,822. The average fare in 1921 was .37 of a cent higher in 1921 than in 1920.

OIL FROM TAR SANDS

From Our Own Correspondent.

LONDON.—Thomas Draper of Petrolea who recently demonstrated before engineers of the Department of the Interior at Ottawa, a process he has worked out for separating oil products from tar sands, has left for Northern Alberta. He will have charge of a plant that is to be erected at Fort McMurray by the McMurray Asphaltum and Oil Company which was formed at Petrolea with himself as president, K. C. Kerr, vice-president and James F. Draper secretary. The company has been granted a large concession of tar sands and Mr. Draper's process will be tried out thoroughly.

Alberta After Greater Revenue From Railways

From Our Own Correspondent.

EDMONTON.—The Alberta Government will this year receive considerably more revenue from the railways doing business within the province. An agreement covering five years has been reached with the Canadian Pacific Railway whereby the latter increases its tax payments on a total mileage of 1,109 miles, the rate being raised from $100 to $135 per mile. This increase was to date from the first of 1921, and payment has already been made of that year's taxes on the new rate.

The Government is now endeavoring to secure payment of alleged arrears of taxes from the National lines on 150 miles of the Canadian Northern railway from Edmonton to Lloydminster. Suit has been entered for $318,402, including taxes and penalties, and the case, having been decided against the Government in the Supreme Court of Alberta, has now been appealed to the Supreme Court of Canada.

DRAINAGE IN WEST

Some Big Projects Being Planned in Saskatchewan

From Our Own Correspondent.

REGINA.—Drainage schemes which are expected to reclaim large areas of rich land, considerably augmenting the productive possibilities of the province will be carried out in the present year under the supervision of the provincial department of highways.

One of the largest of these plans concerns the Sovereign district east of Rosetown and though the cost will be small—about $7,000—several thousands of acres will be improved by the work, contracts for which are now pending.

The Annaheim drain, being constructed at a cost of $22,000, will be continued this year and the Melaval drain which has been under way for a couple of years, is expected to be finished this summer.

TENDERS AND BY-LAWS

TENDERS WANTED

May 29, Village of Point Edward.—$17,200 6 per cent. 20-year housing debentures. David Suhler, clerk, village of Point Edward.

May 22, Vernon.—$37,000 6 per cent. 15 year electric light extension debentures. J. G. Edwards, city clerk.

May 31, County of Brant.—$175,000 5½ per cent., 1922 to 1936, debentures. A. E. Watts, county treasurer, Brantford. (See announcement on page 16.)

May 25, Manitoba.—$3,000,000 5 per cent, 30 year bonds. Hon. Edward Brown, Provincial Treasurer, Winnipeg.

May 23, British Columbia—$2,000,000, 5 per cent. bonds, 5 and 23-year terms, Hon. John Hart, Provincial Minister of Finance, Victoria.

SASKATCHEWAN

The following is a list of authorizations granted by the Local Government Board from April 22nd to May 6th, 1922.

School Districts.— Willow Heights, $5,000; Brightside, $2,500; Brookside, $3,500; Superior, $1,000; Hamburg, $800.

Rural Telephones. — Ardine, $550; Grassy Hill, $1,800.

Town.—Estevan, $10,000; City of Regina, $260,000.

The following is a list of debentures reported sold from April 22nd to May 6th, 1922:

Schools.—Brady, No. 234, $900, 10 years, 8 per cent., F. Patterson, Artland; Prairie, 4062, $1,000, 2 years, 8 per cent., E. G. Vandeburgh, Neudorf; Dunay, 380, $2,500, 10 years, 8 per cent., Nay & James, Regina; Coleraine, 4447, $4,500, 15 years, C. C. Cross & Co., Regina; Wessels, 1705, $5,000, 15 years, 7½ per cent., C. C. Cross & Co., Regina; Leask, 3134, $2,000, 10 years 8 per cent., 178, $300, 3 years, 8 pe rcent, Mrs. J. Carruthers Martin & Torrence, Winni-Holes, Vawn.

Telephones.—Fort Pelly, $300, 14 years, 8 per cent., Carl Johnson, Pelly; Willow Hill, $2,150, 15 years, 8 per cent., C. C. Cross & Co., Regina.

Town.—Gravelbourg, $3,000, 30 years, 7 per cent., C. W. McManus, Moose Jaw.

SELLING CITIZENS A SHARE OF THEIR "OWN HOME TOWN"

How Sarnia Made Sarnians "Buy" an Interest in City

*By Charles J. Olson.

Can a community be sold to its citizens by modern methods of marketing or is there some indefinable something about it that calls for the finesse of the politician? This was the question the Sarnia Chamber of Commerce decided to answer with their recent membership "Drive."

Believing that their community was a marketable asset, they retained a leading advertising agency to prepare and submit a plan for advertising and "selling" Sarnia to the Sarnians. Obviously an advertising campaign of this sort would have to be supported by press articles, speeches, meetings and other forms of publicity. An outline of the publicity and advertising to be done was accordingly submitted and an organization created to direct the campaign.

Like most municipal organizations, the organization created to conduct the drive consisted of committees. The work was divided into departments, each department being handled by a specially appointed committee. Thus a committee was chosen to secure prominent speakers, and to arrange meetings, luncheons, and other events.

Another committee solicited contribution of advertising space in the newspapers, while still other committees were selected to handle bill boards, contests, and other activities.

Teams to "Sell" Sarnia

A special campaign committee was created to handle the "selling" end It routed out territories, organized canvassing teams and instructed each canvasser on low to "sell" the community. Two weeks prior to the canvass, the advertising and publicity campaign was launched with a full page display advertisement in the daily papers together with feature articles, covering the aims, ideals, and past achievements of the Chamber of Commerce.

A meeting was held where a speaker addressed the members on the "need for an active Chamber of Commerce," all of which was duly reported as news in the papers.

Each day during the preliminary advertising campaign, feature articles were published in addition to the display advertisements, while full reports of the meetings held, the lectures given, and other events were written up as news.

The Advertising "Copy"

In emphasizing the future, the natural advantages of Sarnia—location, resources, transportation and power facilities—had to be enumerated and proved existent, which entailed considerable research and digging for facts for this was an instance where the truth must be well told. Next the value of a Chamber of Commerce as a means of uniting individual efforts to utilize these advantages and hasten the industrial development and civic improvements of the city, had to be shown. Evidence of past performance and records of accomplishments in other cities were cited as proof.

Signed statements by the mayor, members of the city council and other prominent men were published in the papers proving that the past accomplishments of the Chamber were real, while "letters to the editor" from members of every class of citizen were published, to show that the Chamber of Commerce worked and achieved benefits for every class of citizen.

No business organization ever routed out a sales territory with more care to detail than the Chamber of Commerce. The city was divided into twelve areas and each canvassing team was alloted an area. Every citizen's name and address was entered upon a prospect card. Prospect cards were then grouped into areas and given as leads to the canvassers of each respective area. A "clean-up" squad was organized to handle all difficult prospects, thus the entire community was thoroughly covered.

School For Salesmen

Before the canvass, a "school" of salesmanship was held where each canvasser was thoroughly instructed on the merits of his "goods." A catalogue of goods to sell, so essential to all salesmen, was prepared in the form of a special edition of the Chamber's publication, (The Sarnian). Here, the past accomplishments of the Chamber and its future aims were catalogued in terse, short statements that could easily be read by the "prospect" at a glance.

A finer spirit of loyalty, co-operation and civic pride is a direct result of this campaign, while the better understanding created between classes, individuals and firms, should exert a great influence in accelerating the development and progress of the city.

That a community can be "sold" to its citizens by modern methods of marketing has, I think, been adequately demonstrated in this drive at Sarnia. Despite the depressed business conditions throughout the country, Sarnia citizens "bought" nearly five hundred memberships—the highest per capita representation in North America.

*Reprinted from "The Quarterly," published by the H. K. McCann Co., Ltd.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
May 16	Sherbrooke, P.Q.	Municipal Bankers Corp.	5 %	20 yrs.	$100,000	95.247	5.39
May 15	Renfrew, County, Ontario	A. E. Ames & Co.	6 %	20 in.	200,000	104.33	5.45
May 15	Napanee	Wood, Gundy & Co.	5½%	30 in.	47,000	99.53	5.55
May 12	Shawinigan Falls, P. Q.	A. E. Ames & Co.	6 %	5 yrs.	49,500	99.627	
May 12	Grand Prairie Schools, Alta.	W. L. McKinnon & Co.	8 %	15 yrs.	15,000	100.67	
	INDUSTRIAL						
May 15	Hanover Cement	Canada Bond Corp.	8 %	20 yrs.	340,000		

Investment

Small balance of 7% 1935 coupon bonds secured by a first mortgage on the plant and property of a well-established and growing manufacturing industry in Toronto. Mortgage held by Toronto General Trusts Corporation. The bulk of the bonds have been purchased by the shareholders. There are other attractive features which can be learned on application. Apply care of Box 25, FINANCIAL POST.

RAILROAD EARNINGS

Earnings of the Canadian Pacific Railway for the first week of May amounted to $2,842,000, as compared with $2,925,000 for the corresponding period in 1921, a decrease of $83,000, or 2.8 per cent.

The Canadian National reports earnings for the week ending May 7, amounting to $2,278,277, an increase of $429,848, or 23.8 per cent.

The Grand Trunk shows earnings for the first week of May amounting to $1,656,731, a decline of $131,579, or 7.3 per cent. For the second week of May the earnings totalled $1,722,275, a decrease of $40,651 or 2.3 per cent.

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112 St. JAMES ST., MONTREAL.

50,000 More Starving Russian Children
have been alloted to the Save the Children Fund workers in the famine area about Saratov, by the All-British Committee.

At present, the generosity of the Canadian people has enabled the Canadian Committee of the Save the Children Fund to provide sufficient food for 75,000 children in Russia, who would otherwise have died from starvation.

Now that the Russian Relief Fund (including the British Red Cross), the Friend's Relief Mission and the British and Canadian Save the Children Funds have been united under the direction of Sir Benjamin Robertson, more work is being undertaken and there is a corresponding increase in the demand for funds.

There is absolutely no hope that Russian children can be helped by Russia itself, until the harvest which comes at the end of August. So it is imperative that money and food continue to be sent through the Canadian and British Organizations right through the summer.

Will you give something?

25c. will feed a child for a week. $1. will ensure sufficient food for one child for a month. $500. will establish a kitchen in the famine district and feed 100 children until the next harvest.

Cheques and money orders may be forwarded through the local committee, your bank or sent direct to Sir George Burn, Treasurer, Save the Children Fund, Elgin Building, Ottawa.

All subscriptions are expended in Canada on Canadian Foodstuffs. 7

SAVE THE CHILDREN FUND
TORONTO SAVE THE CHILDREN COMMITTEE
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Hon. Vice-Presidents:
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PROVINCE OF SASKATCHEWAN
4% Bonds
Due 1st Jan. 1949
Price: 81.44 and Interest
Yielding
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CANADA TRUST CO.
14 KING ST EAST TORONTO
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We Offer a Limited Amount of
Manitoba Power Bonds
Guaranteed by the Winnipeg Electric Railway Company.
These are Public Utility Bonds of the first class, nevertheless they may still be purchased from us at a price to yield above the average rate of interest for so high grade a security — in other words at —
101 and Interest to Yield 6.90%
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BRITISH COLONIAL FIRE INSURANCE COMPANY
MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Leading Life Company of the Dominion
Assurances In Force - $550,000,000
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Sun Life Assurance Company of Canada
Head Office: Montreal

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$74,000,000.00
POLICIES ISSUED FROM $500 TO $5000
G. E. BAILEY, Secretary — W. H. HUNTER, President — G. R. COTTRELLE, Treasurer

YOUR FAMILY, YOUR HOME, YOUR BUSINESS,
---Demand Adequate Protection---
A healthy man, thirty-five years of age, earning $1000. per annum is worth to his family in money, as an income producer, at least $17,500. That is—when he dies, the family loses in potential wealth $17,500. An income of $1000 at earlier ages than 35 is worth more; at later ages less. Your estate, including the life insurance that you carry, probably does not nearly equal the present value of your income. In view of this, should you not increase the protection you are at present carrying? Mutual policies give maximum protection at minimum cost. It is of course not practicable to carry insurance sufficient to replace entirely the income received during the assured's life-time. But every effort should be made at least to guarantee to the survivors a home with a reasonable standard of living.
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO ONTARIO

A BRITISH COMPANY
UNION INSURANCE SOCIETY OF CANTON
LIMITED
Established 1835
Fire - Automobile - Marine Insurance
TOTAL ASSETS OVER $40,000,000.00
Head Office for Canada - 36 Toronto St., Toronto
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INVEST YOUR SAVINGS
5½% Interest Return
In a 5½ DEBENTURE of The Great West Permanent Loan Company
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
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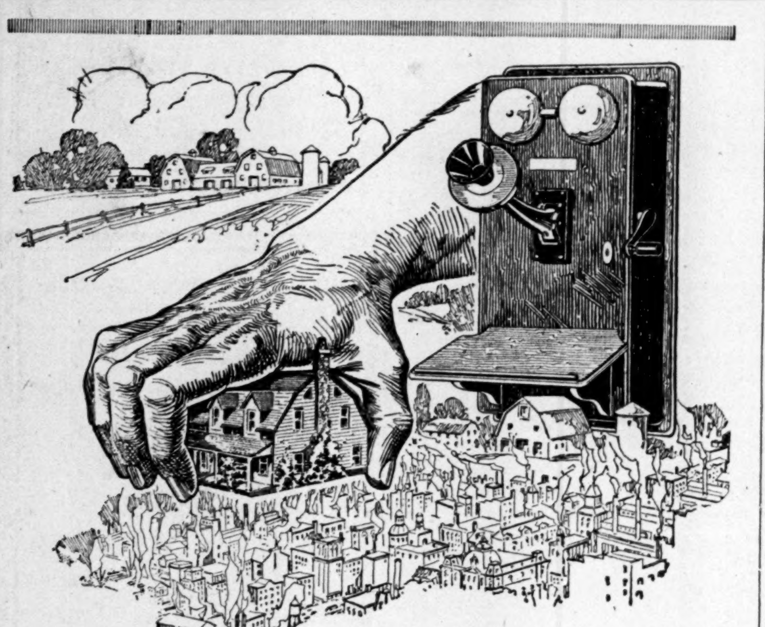

Brings the Farm to Town

Now that he can order it at once from his favorite dealer in village, town or city, nothing is too good for the farmer.

Within the same convenient radius of your store are scores of thrifty housewives who would be pleased to have a merchant solicit their trade by Long Distance.

Even if a sale does not result, you have advertised your business in a very effective way. They will probably call when they come to town, or order from your advertising. It's human nature.

Long Distance can bring suburban prospects within sound of your voice. Turn it into a salesman and keep it busy. Every other means of communication is a substitute for the voice—the voice is YOU.

Every Bell Telephone is a Long Distance Station
THE BELL TELEPHONE COMPANY OF CANADA

INSURANCE AND REAL ESTATE

MALINGERING IS RESULT OF HIGH COMPENSATION

Statistics Gathered by Manufacturers Indicate This

From the report of the Legislation Committee to the Ontario Branch of the C.M.A.

The Canadian Manufacturers' Association have on many occasions gone on record as being in favour of the principle of workmen's compensation provided that some contributions to the premiums collected is made by the employee. In adding this proviso they have behind them the support and authority of one of the greatest experts in the world on these questions, namely Lord Askwith. In spite of the fact that the Ontario Compensation Act was introduced without any provision for contribution by the employee the members of this Association have from the beginning accepted the situation and co-operated in trying to make the Act a success.

At the session of 1920 the Legislature saw fit to increase the scale of compensation from 55 to 66 2/3 per cent. and also to increase certain other benefits, e. g. to widows and children. This increase in the scale of compensation was vigorously opposed by this Association and by employers generally, for this reason, among others, that a substantial increase in the scale would undoubtedly increase the difficulty of getting men back to work, that is would increase malingering.

Evidence of Malingering

During the first year under the new scale the number of accidents increased by 10,592, though the number of workmen employed was practically the same. The total amount of compensation awarded increased from less than 4¼ millions to more than 7¾ millions. It is true that of this amount of 7¾ millions approximately 2¼ millions went to pay the increases in respect of old cases, but this leaves 5½ millions for 1920 as against 4¼ millions for 1919. Even bearing in mind that the increased amount was in force for the last six months of 1920, it is obvious that this startling increase is largely due to the increase of 10,592 in the number of accidents, which in turn can only be explained as the result of increased malingering.

Coming now to the figures for 1921 we find that there was a falling off in the number of accidents of approximately 17 per cent. This would entitle one to assume, if the scale of compensation had been the same for both years that there would be approximately 17 per cent. decrease in the total awards. As a matter of fact, of course, the 66 2/3 per cent. scale while it was in force for the whole of 1921 was only in effect for six months of 1920, so that one is not entitled to expect a 17 per cent. decrease in the total awards; but neither would one expect to find that the total awards had actually increased by approximately $100,000. Again, it is submitted, the explanation to no small extent is that injured workmen are not returning to work as promptly as was the case when the scale of compensation was 55 per cent. The importance of this point will only be appreciated if it is realized, first, that 50 per cent. of the cases are one to two weeks cases, and second, that the cost of medical aid is in a very great many cases more than the actual compensation awarded.

The Cost is Greater

Early in February a questionnaire was sent out to the entire Ontario membership, 378 replies were received. The replies show that 70 per cent. of the membership are in favor of the 3-day absolute waiting period; in preference to the present 7-day non-absolute waiting period; that 70 per cent. are in favour of contribution by the employees to the cost of medical aid; that on the question of contribution by the employees to cost of benefits there is no clear-cut majority one way or the other; and that 85 per cent. of the membership is in favor of the exclusion of clerical staff and salesmen.

With regard to the cost of compensation under the present Act as compared with the cost prior to the coming into force of the Act, it goes without saying that the cost under the Act is very much greater,—in some cases three or four times as much—but it must, of course, be remembered that the benefits under the Act are much greater.

LIFE INSURANCE IN U. S.

The 264 insurance companies of the insurance last year, according to a financial statement issued last week. This is the greatest in the history of the business save in one year during the war, when the government entered into the insurance of the lives of its soldiers. The companies received $1,525,468 in premiums, this total income fell just short of $2,000,000,000, and they paid out in all $1,281,498,261.

SUPERINTENDENTS TO MEET

Annual Meeting of Insurance Men to be Held in Vancouver

Arrangements have been completed for the annual conference of the superintendents of insurance, to be held in Vancouver, August 9th to 12th. The chief business will be consideration of the model fire insurance policy act and the model life insurance act. These statutes will be reviewed in co-operation with the provincial commissioners on uniformity of legislation.

In addition to these two statutes the matter of uniform forms of return to the provincial departments will be considered. The superintendents intend to give their attention to completing the work begun at Quebec last year to secure uniform forms of provincial return both for provincial and dominion insurance corporations.

MOSTLY HOME OWNERS IN CANADIAN CITIES

Much Better Showing Than in the United States Montreal the Exception

No other country in the world shows such a high proportion of home owners in the larger cities as does the Dominion of Canada. Some interesting evidence on this subject has been supplied to the MacLean Building. Reports, Limited, by the assessment departments of ten leading Canadian cities. By these figures the total number of residences is 364,364, and the number occupied by owners total 128,882; occupied by tenants 235,482; the ratio of house ownership is, therefore, 35 per cent.

In making up these totals the figures for several cities are approximate only, being estimated by civic officials as accurately as possible in the absence of precise statistics. This is true in the case of Ottawa with a total of 19,947 houses, which includes tenements, but not apartment houses. As the latter are comparatively numerous in the Capital, they would swell the total of non-home-ownership dwellings considerably.

Montreal, too, provides a special case. For in Montreal many dwellings classified as being occupied by tenants are in reality three-flat houses, one floor of which is often occupied by the proprietor, and the other two floors leased. The very low estimate of 5 per cent. as being the proportion of home ownership in Montreal, does not probably there do justice to that city, and, moreover, it reduces the percentage for the whole of Canada to 35, when it might otherwise range between 40 and 50 per cent.

Even so, Canadian cities compare most favorably with those of the United States. Of seventy-two American cities with a population of 100,000 or more, only two, namely Des Moines and Grand Rapids, can boast a 50 per cent. proportion of home ownership. Des Moines stands at the top of the list with 51.1 per cent. and the remainder of the list tapers off from that point down to 12.7 per cent for New York City. With a few notable exceptions the experience of the United States has been that the larger the city, the smaller the proportion of home ownership. This fact may help to account for the relatively better showing made by Canadian cities for the latter are nearly all below the 100,000 mark.

ST. LAWRENCE PROJECT LIVE ISSUE

New York Reports Indicate That Scheme is Not by Any Means Dead

From Our Own Correspondent.

NEW YORK.—While to one of this side of the international border, it does not appear that the St. Lawrence-Great Lakes Waterways project, has stirred up the discussion pro and con that it has on this side of the line, Canadian bankers closely in touch with the progress being made in connection with the introduction of this project into Congress assure your correspondent that negotiations are shortly to be opened through diplomatic channels, which will involve a detailed discussion of Canada's attitude toward the projected canal scheme. Canadians should not, therefore, regard the matter as closed.

The St. Lawrence-Great Lakes scheme touches a number of political and commercial questions of great importance commercially and financially. According to information obtained here, it will be one of the first questions discussed with the new diplomatic representative Canada is expected to send to Washington in the near future. It is also said that the diplomatic discussion of the canal project which will ensue will enable Washington and Ottawa to reach a degree of understanding regarding a number of matters of mutual importance, such as they have never reached in recent years. Canada it is hoped will, as soon as she is diplomatically represented in Washington, become a member or the Pan-American Union and as such one of the group, diplomatically rather than merely geographically, of the American nations.

WOULD NATIONAL CROP INSURANCE ASSIST FARMERS?

Proposal Made in the United States to Solve Difficulties of Farmers

IT IS NOT PRACTICAL

Government Should Not Carry Agricultural Burdens Any More Than Other Basic Industries

Resulting from the losses suffered by the farmers in the United States last year, there has been a proposal put forward that the government undertake to protect the farmer by crop price insurance. In many cases the farmer did not obtain sufficient return from his crop to pay the cost of producing it. The proposed insurance would cover the farmer on the portion harvested; in other words if the money return is less than the original planting outlay, the government makes good this difference. Secondly, against the portion computed, as short in direct consequence of droughts, floods, insects and so forth. Therefore, if the market return at harvest time is lower than the original planting outlay. then the government repays to the farmer up to the amount of this latter and stops there. Of course the whole proposal is founded on the theory that the government will be able to work out a law of average on which the premiums would be based.

While nothing has been done further than making this proposal, it has aroused a great deal of criticism from many other industries, the argument being that the government should not shoulder the burdens of the farmer to the exclusion of other industries, who have to sink or swim in times of depression. They state that the farmer does not need any paternal legislation for price fixing, with its inevitable boomerang. By carrying the farmer through a period of depression it would tend to lower his moral incentive, whereas the only logical way for the farmers to approach the planting season is with confidence and with a strong determination to succeed.

It is a real hardship to the farmer if he does not plant, for his property must remain inoperative over a season; but when factories are closed, with the added cost of watchmen, repairs and insurance, the farmer in like case is not quite so correspondingly burdened.

Farmers plant against a market a whole season ahead and take chances. But similar risks, even to these of the farmer, are taken by every importer, wholesale merchant, department store and retailer who must stock up ahead. Not only this but there is the added expense of storage, insurance, overhead and unsold remainders which are all included in carrying goods over to the next season. They are exposed meanwhile to unfavorable contingencies, such as changing fashions, and who generally therefore, also "have no assurance of what prices will be obtainable."

The one solution put forward by the opponents of this proposal, is that the farmers form a huge, mutual, self-protection association. That would be the perfect outlet, if practicable, for to operate successfully it would need years of experience and large funds behind it. Thus equipped, organized and worked the association would be more efficient, than any conceivable agency of the government.

MORTGAGE ASSOCIATION

Officers Elected at Annual Meeting At Montreal

At the annual meenting of the Dominion Mortgage and Investments Association in Montreal last week J. B. McKechnie of the Manufacturers' Life Assurance Company was elected president for the year, with J. C. Beckenbridge of the National Trust first vice-president and A. B. Fisher of the Central Canada Loan Association second vice-president. The executive was elected as follows:

Insurance Executive—D. S. MacDonald Confederation Life; J. F. Weston, Imperial Life; F. G. Cope, Sun Life; Chas. Ruby, Mutual Life, and George B. Wood, Continental Life.

Loan Executive—Joseph Campbell, Trust & Loan Company of Canada; W. E. Long, Credit Foncier Franco-Canadien; T. T. Smyth, Montreal City & District Savings Bank; M. Aylsworth, Huron & Erie Mortgage Corporation.

Trust Executive—J. K. Pickett, Union Trust Company; S. C. MacDonald, Mercantile Trust Company; W. G. Watson, Toronto General Trusts Company; E. B. Stockdale, Trusts & Guarantee Company, R. P. Jellett, Royal Trust Company.

GOLD EXPORT TO U. S.

From Our Own Correspondent.

NEW YORK.—Gold to the value of $1,264,000 was imported from Canada during the month of March. Total imports amounted to $33,488,000.

The Western Empire Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH, Managing Director

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Losses paid since Organization $84,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bikerdike (Montreal,) Ltd.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York,) D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt. Bickerdike, (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over ...$52,000,000.00

WESTERN HOMES
Limited
WINNIPEG, MAN.
Capital Authorized ..$5,000,000
Capital Subscribed... 1,700,000
Mortgage Investments
Available shares afford a safe and profitable investment for savings. For full particulars write the Company's Office, Confederation Life Building. Winnipeg.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE, WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W.H. George, Superintendent of Agencies

The Miniota Farmers' Mutual Insurance Co.
BEULAH, MAN.
Amount of insurance in force, $50,000,000.00
Assets of over $800,000.00.
Agents wanted in unrepresented districts. Apply to
H. E. HEMMONS, Sec'y-Manager.

PRACTICAL BUILDINGS
COBB
ARCHITECT, TORONTO

Union Trust Company Limited
TRUSTEES, EXECUTORS
4% Interest on Deposits
Winnipeg TORONTO London, Eng

Satisfactory Service Guaranteed
PRUDENTIAL TRUST COMPANY
LIMITED.
Trustees, Executors, Administrators,
Real Estate and Insurance.
Safety Deposit Vaults.
B. HAL. BROWN,
President and General Manager.
HEAD OFFICE
PRUDENTIAL TRUST BLDG.,
Montreal.
Branches throughout Canada and in London, Eng.

To the Holders of the SEVEN PER CENT TWENTY YEAR FIRST MORTGAGE SINKING FUND GOLD COUPON BONDS of AMES HOLDEN FELT COMPANY LIMITED

Due 1st JANUARY, 1940

AMES-HOLDEN McCREADY Limited has defaulted in the payment of the interest on its First Mortgage Gold Coupon Bonds which became due on the 1st of April, 1922.

Ames Holden McCready Limited is largely interested in Ames Holden Felt Company Limited and in Ames Holden Tire Company Limited, both of which have been operated as subsidiaries of the parent Company. The three Companies mentioned have outstanding issues of Bonds. The principal and interest of the Bonds of Ames Holden Felt Company Limited and Ames Holden Tire Company Limited have been guaranteed by the parent Company. Protective Committees have been formed to represent the different classes of bondholders of each of the three Companies interested. The ordinary creditors of each Company will also be represented by Committees.

In order to protect the interests of the First Mortgage Bondholders of Ames Holden Felt Company Limited a Bondholders Protective Committee has been organized with the following members:—

J. R. RYAN,
of Ryan, Grier & Hastings,
Montreal.

BRIGADIER-GENERAL E. de B. PANET,
of Montreal.

A. C. STEAD,
of Riddell, Stead, Graham & Hutchison,
Montreal.

This Committee is organized for the sole purpose of protecting the interests of the First Mortgage Bonds deposited under its control. It is earnestly recommended that you deposit your bonds with this Committee by sending them in at once with the July 1st, 1922 and all subsequent coupons attached, to The Royal Trust Company at its offices in Montreal, Toronto, Quebec or Winnipeg, Depositary under the agreement.

Registered bonds must be accompanied by instruments of transfer executed in blank. Transferable certificates of deposit will in every case be issued against the deposit of bonds. Bonds will be received for deposit up to and including the 20th of June, 1922.

Copies of the Bondholders Protective Committee Deposit Agreement under the terms and conditions of which the Twenty-Year First Mortgage Gold Bonds of Ames Holden Felt Company Limited will be deposited have been lodged with the Depositary (Royal Trust Company) and one or more copies of the same will be delivered to any bondholder on demand.

Montreal, April 27th, 1922.

On behalf of the Committee.

STANLEY MacPHERSON,
Secretary.

Secretary's Address:
804 Bank of Toronto Building,
St. James Street, Montreal.

Fifty Dollars a Month

(*Guaranteed to you by the Canada Life*)

How Fifty Dollars a Month looks to the Average Man

Age 20—Happy on Fifty Dollars a month.

Age 21—Fifty Dollars a month is not enough.

Age 35—Thinks he can easily afford to "spend" Fifty Dollars a month.

Age 50—Things are not going as well as they were.

Age 55—Strange how these assets have depreciated! Fifty Dollars a month is good interest on $10,000, and not to be despised.

Age 60—He Finds Fifty Dollars a month pension, added to what is left, brings happiness.

You know of men well up in years who are still "drudging along." They cannot stop if they would, but must go on to the end of their days working for a living. You can avoid that

Why Not Pension Yourself?

Why not "take stock" of your present financial position—to size up your personal affairs and decide on a plan for the future?

Our New Pension Plan

guarantees that upon reaching a certain age in life you will receive a MONTHLY cheque for $50.00, $100, $200, $250—as you may now decide—and this monthly payment cannot cease as long as you live.

An Income for Life

Think what it may mean to you to be certain of an income right up to the end of life, when you consider that 97% of people in their later years are partially or wholy dependent upon others for support.

When they were younger they did not have the chance now offered you. It was not then possible to secure such a convenient and certain provision as this Monthly Pension Plan.

Why not Look Into This?

An average deposit of only a few dollars a month will return you $50.00 a month later on, when a regular income will be welcome—no matter what your circumstances may be.

Independence in later life may depend on your action now.

Do not Pass This By.

Canada Life

Home Office
TORONTO
Canada

Canada Life Assurance Company, Toronto!
Dear Sirs—Without obligation on my part, you may send me particulars of your Pension Plan.
Name ....
Address ....
Born .... day of ....
12

Broadway Savings Institution puts its interest disbursements on a quarterly basis instead of semi-annually, as at present, beginning after July 1.

Booth Industries and Wealth A Monument to Determination

(Continued from page 10)

remedy. He had the patient wrapped in red flannel and insisted in sitting by the bedside and nursing him until a turn for the better came and he was on his way to recovery.

Though he has never been a plain-living man of simple personal tastes the career of John R. Booth teems with color and big things. The empire of timber limits which his armies of lumber-jacks conquered with axe and saw is believed to include more than four thousand square miles.

The first of those virgin forests, which he acquired in 1867, known originally as the Egan Estate Limits, is still producing. Lumbering was his business, but because others had not faith enough in the future of railways to make the investment, and, because he must have them to get his products to the world markets, Mr. Booth financed and built railways himself, roads, which, when he had proved their earning power, he sold to splendid advantage. Wise men, wealthy men and even royalty have called at Ottawa to meet this sturdy Canadian who rode logs in the river as a youth and lived to have his own private car on his own steam roads. His Majesty, King George the Fifth, once "broke bread and shared salt" with the Dominion's greatest lumberman. That was when the present King was still a Prince and on a visit to Canada. His Majesty enjoyed a ride on a crib of squared timber with Mr. Booth through a lumber slide on the Ottawa, after which the royal party were the guests of the timber king at a dinner of "pork and beans" served in a log shanty at Rockcliffe, which shanty is to this day known as the Royal Shanty.

Robert Dollar, the Canadian who became the well known millionaire shipowner of San Francisco, and who is believed to be the prototype of the "Cappy Ricks" stories, at a dinner given in Ottawa some little time ago recalled that one of his first employers was John R. Booth. Booth was at that date —1853—a shingle manufacturer, and Dollar worked by the day packing shingles for him.

His Early Days

John Rudolphus Booth was born in Shefford County, Eastern Quebec, near the site of what later became the Village of Waterloo. He was the son of Canadian pioneers of North of Ireland stock, and grew up as a hewer of wood and drawer of water on his father's homestead. It was not until after his marriage to Miss Rosalina Cook, his wonderful life's helpmate, whose demise occurred in 1886, that he heard the call of the outer world and shook the dust of Shefford County from his shoes. The rush of adventurous Canadian manhood in those days was to the States, and Mr. Booth, in company with his wife, and with nine dollars in his pocket, went to the State of Vermont, where he first secured employment as a carpenter. For three years he was mainly engaged working by the day as a bridge-builder, when he became convinced there was no big future in the job. He packed his tools and left for Ottawa. That was about the year 1857, when Ottawa was still living down the name of Bytown, an inconspicuous town in the Canadian wilderness.

It is told that Mr. Booth first worked in Ottawa as a shingle-splitter, walking three miles to and from his work. Shingles in those days were split from pine and cedar blocks with a broadaxe, one man placing the axe and another striking the head of it with a heavy wooden maul, the shingles being afterward graduated by being run through a mechanical shaper. Ottawa was then beginning to hear the hum of awakening industry. Lumbering was in its infancy and E. B. Eddy had promoted the nucleus of what later became an industry known in every Canadian household from the Maritimes to the Pacific Coast. The Bronsons were cutting timber and there were two small mills operated by Perley and Pattee, and Philip Thompson. The amber-colored Chaudiere bearing the mountain waters from the unexplored hinterlands roared and swirled through Ottawa in majestic defiance of man's right, little dreaming that the rugged youth who daily walked its banks and seldom smiled had come to subjugate its tumbling furies and bend its mighty energies to nation-building.

Booth subsequently worked in a machine shop and helped to build the Leamy sawmill at Leamy's Lake. When the mill was completed he was made manager, a position which he held for a year. This was the first recognition of his executive ability. Shortly afterwards he opened up in business for himself with a machine shop, but his plant was burned down after being eight months in operation. His next venture was a small shingle mill, which he vacated because the owner of the land on which it stood sought to double the rent, when Booth started to make a little money.

Following this latter venture he established his first mill on the site where his enormous pulp and paper enterprises operate today. He opened his mill with a single saw, and almost at the start was successful in securing a contract for supplying lumber for the new parliament buildings. He succeeded in handling this contract at a handsome profit, and later, in order to expand, he took a partner. In the early sixties the American Civil War broke out, with its aftermath of hard times. During the slump, Booth's partner lost his nerve and wanted to quit, Booth refused to quit and by one means and another so financed matters that he was able to buy his partner out and continue the business alone. Almost immediately afterwards business on both sides of the international line commenced to pick up again and J. R. Booth started on his real career to accumulate millions.

It has been stated that Booth has never been prone to encourage initiative in those working under him, but that could not have been because he had a superabundance of originality and courage himself. He was the first lumberman on the Ottawa to use horses for hauling logs and supplies in the woods, and other operators who employed oxen exclusively looked upon the Booth experiment as foolhardy. He next amazed his rivals by bringing in a crew of longshoremen to work in the bush for him. They set him down as plain crazy—as a wild dreamer who was courting swift financial disaster. But Booth's horses soon proved their supremacy over oxen on the tote-roads and the winter-trails and his "dock-rats" put old-time lumberjacks to shame with their daring and skill at riding logs on the rivers.

Booth enterprises flourished and expanded like things so ordained by Destiny. He gained th confidence of grat financial institutions, and, when several large tracts of timber, including the splendid John Egan Estate, were put on the market, he readily obtained backing from the Bank of British North America to secure them. His first limit is said to have been purchased for $45,000, a mere fraction of its actual worth with money which he secured from the bank at seven per cent. He extended his mills and bought more and more limits until fifty years later it was conceded he owned a larger area of pine forests than any other one person in Canada. By the year 1892 his mills had a capacity for turning out over one million feet of lumber in ten hours. By working two shifts of men, the mills were capable of turning out two million feet in a day of twenty-four hours, exceeding considerably the maximum output of any other plant of its kind in the world.

Rising from the Ashes

In the month of May, 1893, this splendid mill was burned to the ground, but almost immediately afterward Booth bought out the old Perley and Pattee mill on property adjoining and fitted it out with modern machinery. He established a lath and a picket mill and shingle and boxboard mills. More than fifteen hundred men were employed in the new works and nearly half a thousand wagons were kept busy conveying the lumber from the mills to the yards. A good half of the products was shipped to the English market, and in those days the lumber was loaded on river boats and towed to Montreal where it was transferred to ocean liners for transportation over the Atlantic. The balance of the lumber was sold in this country and the United States, Mr. Booth having established a yard at Rouse's Point as early as 1867, a move that proved his far-sighted vision as a captain of industry. In 1875, he established a mill and sorting yard at Burlington, Vermont, with sales offices at Boston, Mass. He is said to be the only Canadian lumberman who manufactures his own lumber in his own United States mill. The American branch was first under the management of ex-Governor U. A. Woodbury, of Vermont, and since his retirement has been conducted by Colonel E. J. Booth, a half brother of John R. The box factory in connection with this latter mill alone handles five million to six million feet of lumber a year.

During his career, John R. Booth met with a series of disasters, any one of which might have daunted ordinary business courage. Two more great fires ravished his property after the fire of 1893, one in 1900 and another in 1903. Millions of feet of valuable lumber were lost in these conflagrations, the first laying waste his magnificent stone residence on Wellington street as well. The net result of these set-backs was fresh determination on the part of the owner and further expansion of his enterprises, for he soon afterward added a pulp and paper mill to his factories, a mill with a capacity of eighty tons of ground pulp per day. It is said of John R. Booth that in all his struggles to make good in the face of great obstacles he never asked other men for financial assistance and even refused the offer of certain exemptions in taxation when he was planning to rebuild plants destroyed by fire. When another fire destroyed his planing mills at Burlington, Vermont, the council of that place fearing they might lose the industry, proposed a ten year exemption. Booth rebuilt the mill but never claimed the exemption.

His Railway Experiences

But while Mr. Booth invariably refused favors that might interfere with the independence he exercised and held an inalienable right in the conduct of his business, he is just as tenacious in refusing to relinquish any property or privilege that he believes to be justly and legally his. This latter trait he particularly exemplified in the building and selling of railways. A lumberman, first, last and always, he became involved in railway construction because he needed steam roads to rush his products to the markets. American capitalists started to build the old Canada Atlantic back in the later seventies, and Booth, anxious to see the road completed as a quick outlet for his goods to the States and the seaboard, made them a considerable loan. The original promoters floundered into worse difficulties, and finally Mr. Booth took active control and built the road himself, completing it in 1882. This venture was followed by an extension from Ottawa west, then known as the Ottawa and Parry Sound Railway. Both roads he later sold to the Grand Trunk System, now the Canadian National, for $14,000,000. But before that deal took place Booth's railways had opened up vast new territory and made history in Canada. At the time the Grand Trunk acquired the Booth system it was handling something in excess of 200,000 tons of flour and package freight and 20,000,000 bushels of western grain. It was equipped with sixty-seven locomotives, forty-one passenger cars and three thousand freight cars. This railway had lessened the distance between Montreal and Chicago by eight hundred miles and shortened the inland haul to and from the Liverpool market by four hundred and fifty miles.

When Booth was building the Canada Atlantic he was voted a bonus of fifty thousand dollars to bring it into the city of Ottawa, but, through exigencies over which he had no control, he was behind time in completing the road. When his steel reached the end of Elgin street, he applied to the city council for his fifty thousand dollars. He was refused on the technicality that the road was not completed on the specified date. Nothing daunted, and keeping his own counsel, Booth put steam shovels to work and literally dug out a pathway for his railway into the heart of Ottawa, using the dirt excavated to make new land in what was then a marsh in the south end of the city. On that site he located his round houses. He put up a small building to serve as a station, and one day took the aldermen down to see it. "Now," he said, "I have carried out my agreement, don't you think you ought to pay me the bonus that was promised?" The council paid over the fifty thousand, taking it for granted the small shack Booth had put up was only to serve until he put up a real railway depot. But when they later approached Mr. Booth about it he said: "There's your station as you accepted it when you paid over the bonus." He refused to replace it, they had driven a hard bargain with him and he saw no reason to do more for them than the contract demanded.

World copyright says Berlin expects industrial leaders will take over German railroad system and offer it as its principal security for international loan.

Literature

The right use of spare moments in reading and study qualify a man to deal intelligently with his own personal problems and with things in general.

There is nothing of more personal interest to every man, nor yet more frequently lacking, than an intelligent knowledge of life insurance—its necessity, its worth, its investment and other features. We have specially prepared literature dealing with its every phase. A post card will bring it to you, and a little of your spare time will enable you to weigh it intelligently.

THE GREAT-WEST LIFE ASSURANCE COMPANY

Dept. "G"

Head Office - Winnipeg

REAL ESTATE

Hamilton and Niagara District

City, Farm and Suburban Properties

Valuations Made   Correspondence Solicited

FRED HAMILTON, 4 Sun Life Bldg., HAMILTON, ONT.

Century Coal Company
LIMITED
Imperial Bank Bldg.,
Montreal, Que.

COAL

TELEPHONE
MAIN 7300

To the Holders of the THIRTY-YEAR SIX PER CENT FIRST MORTGAGE GOLD COUPON BONDS of AMES HOLDEN McCREADY LIMITED

Due 1st APRIL, 1941

THE financial statement for the year 1921 submitted at the Annual General Meeting of Shareholders of Ames Holden McCready Limited, held on the 26th day of April, 1922, shows a debit profit and loss balance for the year of $1,201,338. It would appear that this loss has resulted from general depression in trade, liquidation of inventories, etc.

The Company has defaulted in the payment of the interest on the above mentioned issue of its First Mortgage Gold Coupon Bonds which became due on the 1st of April, 1922, and has announced that some general scheme of reorganization is necessary in order to provide additional working capital to enable it to continue in operation.

The Company is largely interested in Ames Holden Felt Company Limited and in Ames Holden Tire Company Limited, both of which have been operated as subsidiaries of the parent company. These companies have outstanding issues of First Mortgage Bonds and are largely indebted to trade creditors. The bonds of the subsidiary companies are guaranteed as to principal and interest by the parent company. It would seem apparent that a general plan of reorganization must involve both the parent company and its subsidiaries. Protective Committees have been formed to represent the different classes of bondholders of each of the three companies interested. The ordinary creditors of each company will also be represented by Committees.

In order to protect the interests of the First Mortgage Bondholders of Ames Holden McCready Limited, a Bondholders Protective Committee has been organized with the following members:—

EDWIN HANSON
Hanson Bros., Investment Bankers
Montreal

JAMES HUTCHISON, C.A.
Messrs. Riddell, Stead,
Graham & Hutchison
Accountants, Montreal

JOHN M. MACKIE
Financial Agent,
Montreal

This Committee is organized for the sole purpose of protecting the interests of the First Mortgage Bonds deposited under its control. It is earnestly recommended that you deposit your bonds with this Committee by sending them in at once with the April 1st, 1922 and all subsequent coupons attached to The Royal Trust Company, at its offices in Montreal, Toronto, Quebec or Winnipeg, or to the Bank of Montreal, 47 Threadneedle Street, London, E.C., as agents for the Royal Trust Company, Depositary under the Agreement. Registered bonds must be accompanied by instruments of transfer executed in blank. Transferable certificates of deposit will in every case be issued against the deposit of bonds. Bonds will be received for deposit up to and including the 20th of June, 1922.

Copies of the Bondholders Protective Committee Deposit Agreement, under the terms and conditions of which the First Mortgage Gold Coupon Bonds of Ames Holden McCready Limited will be deposited, have been lodged with the Depositary and one or more copies of the same will be delivered to any bondholder on demand.

Montreal, April 27, 1922.

On behalf of the Committee.

STANLEY MacPHERSON,
Secretary.

Secretary's Address:
804 Bank of Toronto Building,
St. James Street, Montreal.

DELAYS IN WEST OWING TO WEATHER MAY BE SERIOUS

Seeding So Late That Frost May Endanger Crop

UNUSUAL MOISTURE

Situation in This Respect is Very Satisfactory and the Danger of Drought is Reduced to the Minimum

From Our Own Correspondent

REGINA.—Spring work, in most sections of the province at least, has suffered severe set-back from the heavy rains which have prevailed in the central and southern portions with little intermission since May 5. Up to May 6, seeding in the entire southern area was estimated to be only 10 to 30 per cent completed and from that date until May 13, mud and water prevented any effectual effort on the part of farmers to make progress.

A survey of the situation made at this time by the FINANCIAL POST representative, seems to indicate that with the exception of a large area in the Northwest, the season will be very late; that a large increase in the area sown to oats and a consequent decrease in the wheat-sown lands will occur and that considerable acreage which produced last year will not be farmed at all in the present season.

Experience of previous years in the Regina area has shown that there is danger of damage from frost when wheat is sown after May 10. In exceptional years, good crops have been harvested which were sown as late as May 24 but as the average time required to mature wheat—from date of seeding to cutting—is 115 days, the menace of frost increases as the wet weather continues and farm work remains at a standstill. Good crops however, have been matured in 90 days under the most favorable conditions and the more optimistic are inclined to hope that 1922 will be an exceptional year in this respect.

There is no disguising the fact that insofar as the Regina and Moose Jaw districts are concerned, and in a lesser degree, the entire south country, the position is serious. Delays from day to day means so much less wheat sown. Central Saskatchewan was subject to the heaviest precipitation for years in the fall and winter of 1921 and there was great jubilation on the part of farmers as the result. If the spring had been reasonably dry, conditions would have been particularly propitious for a bumper crop, but on top of the autumn and winter moisture comes one of the wettest spring seasons growers can remember and one finds large tracts of wheat land that can only be navigated by a row-boat or a canoe. Just when the farmer commenced to note appreciable subsidence in the waters, along came another rain and up went the impromptu lakes.

J. B. Musselman, secretary of the Saskatchewan Grain Growers' Association believes that 1922 will be a banner year for the light-soil areas. Usually, he points out, the heavy, clayey soils, such as prevail in the Regina and Moose Jaw districts, produce the largest crops. This condition may be reversed in a wet year because work is more susceptible to delay where heavy soils obtain.

May Be Too Late

James Robinson, vice-president of the Saskatchewan Co-Operative Elevator Company informed The FINANCIAL POST, that in his opinion, it was not advisable to sow wheat after May 15. The danger from frost, he said, was too great and a good oat crop was preferable to a wheat crop damaged by this agency.

In this connection, records secured in the prairies by federal statisticians appear to indicate that the danger from frost is not as great as might be supposed. At any rate, the production of wheat has increased from 1,153,000 bushels in 1881 to 271,508,000 in 1921.

Reports from the Northwest are much more encouraging than those from the Southern district. There, it is stated, seeding is almost completed. In the Northwest about 25 per cent. is seeded.

THE STERLING BANK OF CANADA

Annual Report

Year Ending, April 29th, 1922

GENERAL STATEMENT.

LIABILITIES

Notes of the Bank in Circulation		$1,121,528.50
Deposits not bearing interest	$3,822,408.43	
Deposits bearing interest (including interest accrued to date of statement)	13,530,689.45	
		17,353,097.88
Due to Dominion Government		3,000,000.00
Balances due to other Banks in Canada		157,211.17
Acceptances under Letters of Credit		15,447.00
Total Liabilities to the Public		$21,647,284.55
Capital Stock paid up	$1,232,900.00	
Reserve Fund	500,000.00	
Dividends unpaid	1,349.40	
Dividend No. 61, payable 15th May	24,658.00	
Balance of Profit and Loss Account carried forward	38,034.74	
		1,796,942.14
		$23,444,226.69

ASSETS.

Current Coin held by the Bank	$75,213.61	
Dominion Notes held	2,089,363.75	
Deposit with the Minister for the purpose of the Circulation Fund	66,000.00	
Notes of other Banks	175,509.56	
Cheques on other Banks	764,464.60	
Balances due by other Banks in Canada	5,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	327,666.78	
	$3,503,218.30	
Dominion and Provincial Government Securities not exceeding market value	10,413,247.98	
Canada Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian	1,384,993.50	
Railway and other Bonds, Debentures and Stocks not exceeding market value	303,423.38	
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks	55,565.63	
		$15,660,448.79
Other Current Loans and Discounts in Canada (less rebate of interest)	$7,053,385.75	
Overdue Debts (estimated loss provided for)	19,860.25	
Mortgages on Real Estate sold by the Bank	2,732.85	
Bank Premises, at not more than cost, less amounts written off	575,108.35	
Liabilities of Customers under Letters of Credit, as per contra	15,447.00	
Other Assets not included in the foregoing	117,243.70	
		7,783,777.90
		$23,444,226.69

G. T. SOMERS, President.
Toronto, April 29th, 1922.

A. H. WALKER,
General Manager.

AUDITOR'S REPORT

This statement has been duly vouched by comparing all entries with the books at the Chief Office and certified Returns from the Branches, and in my opinion is properly drawn up so as to exhibit a correct view of the condition of the Bank.

Cash and Securities have been checked at the Chief Office at 29th April, 1922, as well as at another time during the year, as required by Section 56 of the Bank Act.

I have obtained all the information and explanations required, and am of the opinion that the transactions of the Bank, which have come under my notice have been within the powers of the Bank.

J. J. ROBSON, C.A., Auditor.

The President in his address, said in part, "The earnings reached the sum of $260 694.22, an increase of about $5,000 over last year, a substantial return on our average paid-up capital; so that after paying a dividend of 8%, amounting to $98,618 it leaves us with a substantial amount with which to follow out our usual policy of writing down our assets in a conservative way.

Some of the salient features of this Report may be summarized to express more clearly the development made by the Bank during the year:

Earnings show an increase.
Assets, despite deflated conditions, remain practically unchanged.
Current loans show an increase.

Our total assets now reach the sum of $23,444,226.69. You will note that we hold $10,413,247 in Dominion and Provincial Government Securities and $1,384,993.50 in Municipal Bonds. I need not point out to you the stability of this class of security, but it must be a source of considerable comfort to you to know that our assets consist of such investments. Our total readily available assets are $15,660,448.79, or 90% of our deposits from the public and 72% of our total liability to the public. The proportion of our readily available assets to our total liabilities, including Capital and Reserve, is 66%. This shows an exceptionally strong position, and I need hardly say that it is in this strength and stability that lies the source of our development and increasing success.

Further Taxation of Ontario Manufacturers Talked Of

(Continued from page 1)

tagonism in the press and public. Mr. Bulman was full of the scheme which had just been developed by some Toronto members, for the absolute control of the press by boycotting any paper that refused to follow a news and editorial policy dictated by this group, who assumed to speak for the manufacturers of Canada as a whole. He told some western editors that they would have to behave or their advertising would be cut off.

Manufacturing is one of the most precarious forms of investment. Special inducements must be offered to get money in competition with national and municipal bonds and other gilt-edged securities. A great many millions have been invested in Ontario manufacturing on the understanding that income from it would not be taxed. For a quarter of a century the Government kept faith with the manufacturers. Two years ago the Government took advantage of the unpopularity of the manufacturers and allowed municipalities to tax their incomes. It was suggested at the same time that the Province might also collect taxes from industrial incomes but the proposal did not then secure much support. It is getting a good deal of support this week. The situation therefore, as far as investors in Ontario industries is concerned, is causing great anxiety.

C.M.A. Management Costing Ontario Manufacturers Millions

A thousand or more Ontario manufacturers and their stockholders are paying for the first time this year over $2,000,000 in municipal taxes. They will be largely increased next year when other places are added. These are super-taxes. They are taxes on incomes. Taxes from businesses that have already paid their share twice. If some members of the Ontario Legislature have their way, next session will see a provincial tax put on industrial institutions. Ontario manufacturers will therefore have four forms of direct taxation—ordinary on their real estate, on business; and two on income. They are also asked to support a fancy, frilly Compensation Board, and other Progressive schemes. They may be asked for super-taxes to pay for the wastefulness of publicly owned electric schemes. They are being taxed far in excess of any other province.

For many years manufacturers had the most strongly sympathetic support of the province. Agitators attacking them found little sympathy. Today all is different.

Why?

Sir Albert Kemp, one of the most successful manufacturers, at one time president, and for many years active member, tells THE POST that the recent pin-headed management of the C.M.A. is to blame.

A member of the Ontario Cabinet put his finger on the trouble some time ago when he asked a member of the C.M.A. if that great organization could not send men in whom they could place confidence and respect instead of men of the clerk type.

If a shrewd, able, tactful man like John Appleton, manager of the Dominion Mortgage Association, had been manager of the C.M.A. no chairman or committee would have issued such uncalled for and short-sighted criticisms of the Ontario Legislature as have been quoted in the press during the last few days.

A Quiet Revolution

Annual meeting of Canada Steamship Lines on Tuesday last should be set down as an historic occasion that must leave a lasting impression not only on this company but on all others in Canada in which investors at large hold substantial interests. The election of nine new directors to replace nine of the old—an overwhelming majority of the total—and the subsequent formation of an inner executive in which only one of the old board holds a place—marked a wide-spread revolt against the preceding management that has few parallels in the history of corporations in this country.

The re-organization of this company on so comprehensive a scale stands as one of the most impressive and encouraging examples of the force of public opinion that has been registered in many years. And not only in relation to this individual organization. There is a warning inherent in the revolution so quietly effected, for similar organizations where directors or management have played fast and loose with their obligations to shareholders, to serve their private ends. This larger service, the raising of the standard in many other instances, THE FINANCIAL POST had in view from the outset. The "Steamships" leaven may work out the leavening of the whole corporate fabric.

Conscientious Trustees

Expressions of approval have been voiced in these columns before at the high caliber of the new men selected through the agency of the underwriters and the individuals they themselves first selected. Two new names were added to the list at the annual meeting. George Caverhill and J. H. Fortier. These two men are of outstanding success and esteem in business circles. Mr. Caverhill holds an honorable record at the head of a wholesale hardware business, and years ago was connected with the old Richelieu Company. Mr. Fortier is rapidly forging ahead among the younger business men of French-Canadian birth. As vice-president and the active head of the P. T. Legare organization, he has served as chairman of the Quebec branch of the C.M.A., and when a re-organization of the Banque Nationale was required, he was chosen with three other Quebec leaders as a mark of public confidence, and became the vice-president of the bank.

With such men, and the others whose names have appeared before, the darker days of Canada Steamship Lines will not be duplicated. Objectionable practices cannot thrive under their trusteeship. And gradually sensing this, public confidence will be restored.

A Disappointing Debut

This strong confidence, we and others feel, in spite of the initial performance of the new president, W. H. COVERDALE. This was distinctly disappointing. Georgeous bouquets have been presented to him by newspaper and other circles that obsequiously upheld the old group and the old practices, until the new king arrived. Then they flopped over, with equal blandness.

Mr. Coverdale had an unusual opportunity to give leadership to the new movement, but he signally failed. He stood forth as the link between the old and the new; praiseworthy, no doubt, as an efficiency engineer; and performing the function for which he had been engaged months ago by the old board of the company—not the underwriters—creditably enough, perhaps. But he failed to rise to the higher level demanded of the president of this company under the peculiar conditions governing his appointment.

This role was as an apologist for the old order; not as an initiator of the new. Over most of the vital questions he touched upon—and he ignored some of the most important—he administered a splash of whitewash. He saw nothing but "good faith" in any transaction. As a counsel for the defence he was admirable, but he was not appointed president to play that role.

"Ten-Year Bonds Proved Unpopular!"

Take his handling of the failure of the first $6,000,000 issue of bonds last Fall. He remarked that the financing had not proved satisfactory, in that only about 5 per cent. of the amount authorized had been sold to the public by the accredited agents of the Steamships Company. Then he added: *"Ten-year-bonds proved unpopular!"*—implying that this was the reason for the failure.

Mr. Coverdale knew better.

This was not the reason, and in suggesting it he was paying a poor compliment to the intelligence of the underwriters or himself. If "ten-year-bonds" were "unpopular," it was the easiest matter in the world to change them to "twenty-year," as was done finally. How simple those underwriters were, laboring for over four months to force through what finally became a revolution in the organization of the company; in a word, re-molding it from a position of discredit and universal distrust into one in which, as now, public by the accredited agents of the Steamships Company. Then he added: reason!

No, it was not "ten-year-bonds" that was the trouble, and if Mr. Coverdale does not comprehend this to the full, most of the other new directors do.

Why?

If the blanket testimonial Mr. Coverdale donated to the old management were a sincere one on his part, and deserved by the recipients, why did he come from New York to supplant the former president; and why did nine new directors supplant nine old? And what about by-laws on inter-locking directorates? And what about the smashing of the "Trust"?

As was remarked before, Mr. Coverdale's initial performance was distinctly disappointing in all except a perfunctory engineering sense. The new-found confidence, as yet, must rest in the known views and determination of the other directors.

DIVIDENDS

The Canadian Bank of Commerce

Dividend No. 141

Notice is hereby given that a dividend of three per cent., upon the capital stock of this bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 31st May next, and that the same will be payable at the bank and its branches, on and after Thursday, 1st June, 1922. The transfer books of the bank will be closed from the 17th May to 31st May next, both days inclusive.

By order of the Board.

JOHN AIRD,
General Manager.

Toronto, 21st April, 1922.

The Royal Bank of Canada

Dividend No. 139

Notice is hereby given that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Thursday, the first day of June next, to shareholders of record at the close of business on the 15th day of May.

By order of the Board.

C. E. NEILL,
General Manager.

Montreal, Que., April 13, 1922.

Belding-Corticelli, LIMITED.

Dividend No. 30

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a dividend of 1¾%, payable on the 15th day of June to shareholders of record at the close of business the 1st day of June, 1922.

By order of the Board.

D. R. KENNEDY,
Secretary-Treasurer.

The Canada Landed & National Investment Company, Limited

Dividend No. 141

Notice is hereby given that a dividend of two and one-half per cent. (being at the rate of ten per cent. per annum) on the amount paid up on the capital stock of this Company, has been declared for the quarter-year to the 30th day of June, 1922, and that the same will be payable at the office of the Company, 23 Toronto Street, Toronto, on and after the **3rd day of July, 1922**, to shareholders of record at the close of business on the 15th day of June, 1922.

By order of the Board.

EDWARD SAUNDERS,
Managing Director.

Toronto, May 17th, 1922.

Gillette Safety Razor Co. wins damage suit before Berlin court and two commission merchants found guilty of selling German-made razor blades as original Gillettes after putting up counterfeits in imitation packages. One fined 80,000 marks with two weeks in jail.

BANK OF MONTREAL

Notice is hereby given that a dividend of three per cent. upon the paid-up capital stock of this Institution has been declared for the current quarter, payable on and after Thursday, the 1st day of June next, to Shareholders of record of 30th April, 1922.

By order of the Board,

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 21st April, 1922.

Imperial Oil Limited

DIVIDEND

Notice is hereby given that a dividend of seventy-five cents (75c) per share in Canadian funds has been declared by the Directors of Imperial Oil, Limited, and that the same will be payable in respect of shares specified in any Share Warrant of the Company within three days after the Coupon Serial Number Twelve of such Share Warrant has been presented and delivered to:

The Royal Bank of Canada,
Toronto, Ontario,

or at the office of:

Imperial Oil, Limited,
56 Church St.,
Toronto, Ontario,

such presentation and delivery to be made on or after the 1st day of June, 1922.

Payment of shareholders of record and fully paid up at the close of business on the 18th day of May, 1922 (and whose shares are represented by Share Certificates), will be made on or after the 1st day of June, 1922.

The books of the Company for the transfer of shares will be closed from the close of business on the 18th day of May, 1922, to the close of business on the 1st day of June, 1922.

By order of the Board.

JAS. H. ARCHBOLD,
Secretary.

56 Church Street,
Toronto, Ontario.
May 15th, 1922.

The Mexican Light & Power Company, Ltd

5% Second Mortgage Fifty-Year Bonds

NOTICE IS HEREBY GIVEN that a half year's interest on the 5 per cent. Second Mortgage 50-year Bonds of the Mexican Light and Power Company, Limited, will be paid on and after the first of June, 1922, at the Bank of Scotland, London, England, at the Canadian Bank of Commerce, Toronto and Montreal, and at their agency in New York, N. Y., against the surrender of Coupon No. 6, dated the 1st of December, 1914.

THE MEXICAN LIGHT AND POWER CO., LIMITED,

R. H. MERRY,
Secretary

TORONTO, 15th of May, 1922.

TENDERS WANTED

DEBENTURES FOR SALE.

TENDERS will be received by the undersigned up till noon of Wednesday, the 31st day of May, 1922, for the purchase of $175,000.00 of County of Brant Debentures.

The following are the particulars:

Debentures will be dated 1st July, 1922, with interest coupons at 5½% payable half-yearly from 1st July, 1922.

Principal is payable as follows: 1st July, 1923, $7,800; 1924, $8,200; 1925, $8,700; 1926, $9,200; 1927, $9,700; 1928, $10,200; 1929, $10,800; 1930, $11,400; 1931, $12,000; 1932, $12,600; 1933, $13,300; 1934, $14,100; 1935, $14,800; 1936, $15,700; 1937, $16,500.

Debentures will be for $1,000.00 each and odd $100.00 printed to suit purchasers.

Present debenture debt of county, $107,633.37.

Assessment, $14,119,000.00.

Further particulars may be had from the undersigned.

Dated 12th May, 1922.

A. E. WATTS,
County Treasurer,
Brantford.

Tiger Tire & Rubber Company Statement Shows Profit of $28,191 In First Six Months of Operations

Business Steadily Increasing, With Sales Running at Approximately $700,000 Per Year—First Dividend to Be Paid in July

"After operating for only a period of six and a half months, your Company was able to earn net profits of $28,191." This statement by Hillary & Co., Auditors, was received with much satisfaction by the shareholders attending the annual general meeting of the Tiger Tire & Rubber Co., Limited, held at Belleville, Wednesday, May 10th.

The Financial Statement presented showed the Company to be in a strong financial position, having a surplus of $35,486 over liabilities to the public. Inventories have been reduced to present market prices. Expenses of administration, organization, etc., have been met, and the Company started the new year in a position that will leave earnings available for dividends.

General Manager H. H. Hastings, in his address, was very optimistic, and stated that sales of the Company's products for the first twelve months were in excess of $425,000. Sales at the present time were running at the rate of $700,000 per year. The Company is now manufacturing 250 tires and 250 tubes per day, and this output is being increased as rapidly as possible. Orders are coming in so rapidly that the entire output is shipped as quickly as it can be manufactured.

During the year the Company adopted and has the sole right for the now famous Endos process, which places Tiger Tires in a class by themselves. The Company has now about 1,000 shareholder-customers, a big, growing and well-established demand for its goods.

During the past year seven branches and distributing depots were established in the following cities: Halifax, Montreal, Ottawa, Hamilton, London, Calgary and Vancouver, the head office and chief supply depot being in Toronto.

"I am going to be able to tell you today something that I promised we would do a year ago, and that is, pay dividends," stated Mr. Hastings. "Your first dividend is not a large one, being 2% quarterly, or at the rate of 8% per annum on your preferred stock." This first dividend will be declared about June 10th.

Some of the Directors present also had a few remarks to make, expressing themselves as confident of the outlook for the coming year.

The Board of Directors was re-elected unanimously, and the Board and Officers are now as follows: William Seward, President; R. J. Graham, Vice-President; T. B. Pringle, Mark Smith, J. F. Hawkins, H. C. Moore; H. H. Hastings, General Manager; Secretary, H. C. Moore; Treasurer, F. B. Milligan; Factory Manager, William Seward.